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AGREEMENT WITH WORLD BANK TOTALS $4.1 BILLION

HK190035 Beijing CHINA DAILY in English 19 Aug 86 p 2

[By staff reporter Tian Ying]

[Text] China has signed loan and credit agreements totalling $4.1 billion with the World Bank since 1981. About $1.2 billion has been disbursed between 1981 and June of this year, including $400 million in the first half of this year, according to an official of the Ministry of Finance.

Another $400 million plus is expected to be disbursed this year, bringing the year's total to as much as the aggregate in the previous four years, said Luo Qing, Vice-Director of the External Finance Department of the Ministry.

China has gained experience in using foreign loans through several years of co-operation with the World Bank, Luo said.

The period between the signing of a loan and first disbursement is now about six months. It used to be a year or more, he said.

Large quantities of equipment for projects started in 1983 have arrived this year. This is another reason for the quickening of loan disbursement, the Vice-Director said.

According to Luo, 40 percent of the agreements signed in the past five years are interest-free, International Development Association (IDA) credits to be paid back in 50 years. The rest are IBRD loans that will be repaid in 20 years.

Half of the borrowed money will go to projects involving energy or transport. The rest will be used to support education, public health, agriculture and technical renovation of industry.

"While receiving the loans," Luo said, "we have also learned scientific management from the World Bank"

Government loans are another major funding source in China.

Japan began making loans to China in 1979. About $3.4 billion (according to the current exchange rates) in loan agreements have been signed between the two countries during the past seven years, Chen Kongming, head of the Loan Bureau of the Ministry of Foreign Economic Relations and Trade, told CHINA DAILY.

About $520 million has been contracted for this year, an increase of 7.3 percent over the last year, Chen said.

Apart from Japan, 13 other countries including Kuwait, Denmark, Belgium, Italy, Spain, Sweden, France, Britain, West Germany, Australia, Switzerland, and Holland have made loans to China. Some other countries are expected to join the list soon.

In order to speed up disbursement of foreign funds, Chen said, the bureau has acted as a link between the lender and the borrowers, helping loan-users to solve problems.

It often helped end-users to hold public international bidding for equipment and also to find equipment in short supply on the domestic market.

INTERNATIONAL EDUCATION MEETING OPENS IN NANJING

OW181445 Nanjing Jiangsu Provincial Service in Mandarin 1000 GMT 16 Aug 86

[Text] A meeting of the group for the appraisal and study of educational reform and tele-education [chang juli jiao yu] for the development of service programs in the Asian-Pacific region opened today in Nanjing.

Attending the meeting are representatives from 11 Asian-Pacific nations, officials of the Asian-Pacific office of the group, and responsible comrades of the Chinese State Education, Sciences, and Cultural Commission.

The meeting will review and evaluate all tele-education work for the development of service programs carried out in the course of education reform in the Asian-Pacific region in order to lay a sound foundation for further developing the tele-education system and structure and for improving experimental materials and equipment used in evaluating tele-education.

Currently in Jiangsu, tele-education is being promoted mainly in the form of audiovisual and correspondence education programs over television and radio.

ARKHIPOV MEETS QIAO SHI, DISCUSSES TALYZIN VISIT

HK190924 Hong Kong AFP in English 0839 GMT 19 Aug 86

[Text] Beijing, Aug 19 (AFP) -- Soviet first Vice-Premier Ivan Arkhipov, officially here for acupuncture treatment, has met with one of China's most influential new leaders, Vice-Premier Qiao Shi, a Western diplomatic source has said.

Mr Qiao is the fourth Chinese Vice-Premier with whom Mr Arkhipov has had talks since he arrived here July 27.

Mr Arkhipov's meeting with Mr Qiao had a special significance, Western diplomats said. Appointed vice-premier in April, Mr Qiao is a member of both the Politburo and the Secretariat of the Chinese Communist Party and is regarded as a possible successor to China's senior statesman Deng Xiaoping.

Mr Arkhipov, whose arrival was kept secret by Beijing and Moscow, had earlier taken advantage of his private visit to discuss Sino-Soviet relations with Vice-Premiers Yao Yilin, Wan Li and Li Peng, informed Asian sources said.

It is not known how long Mr Arkhipov will be staying in Beijing. Soviet aides to Mr Arkhipov Monday declined to answer questions, and the Soviet Embassy had no comment on his departure date.

Speaking in Vladivostok on July 28, Soviet leader Mikhail Gorbachev announced plans for a partial withdrawal of Soviet troops from Afghanistan and Mongolia, and proposed space cooperation with China.

China has had a cautious but generally favourable reaction to Mr Gorbachev's speech.

Mr Arkhipov has been receiving acupuncture treatment at the Sino-Japanese hospital here for partial paralysis of the face, informed Soviet sources said.

Another Soviet first vice-premier, Nikolay Talyzin, is due here in the first 10 days of September for talks with Chinese leaders. These are expected to cover economic, commercial, scientific and technical cooperation, Soviet sources said.

Informed East European sources here said Mr Arkhipov had discussed details of Mr Talyzin's trip with Chinese officials.

Mr Talyzin, who is also head of the State Planning Commission, will be the first Soviet leader regarded as close to Mr Gorbachev to visit China.

BEIJING'S CHEN XITONG MEETS MOSCOW MAYOR

OW190025 Beijing XINHUA in English 0009 GMT 19 Aug 86

[Text] Moscow, August 18 (XINHUA) -- Moscow Mayor V. Saykin today held talks with his Chinese counterpart Chen Xitong. Chen, mayor of Beijing, arrived here yesterday for a two-week visit, the first of its kind in three decades.

FLEXIBILITY IN SOVIET MIDEAST POLICY VIEWED

OW181232 Beijing XINHUA in English 1212 GMT 18 Aug 86

["News analysis: New Flexibility in Soviet Mid-East Diplomacy by Lu Chengzhe" -- XINHUA headline]

[Text] Damascus, August 18 (XINHUA) -- Delegates of the Soviet Union and Israel are meeting in Helsinki today, the first formal talks between the two countries in 19 years after the Soviet Union severed its diplomatic relations with Israel in the 1967 Mid-East war.

The meeting is reportedly to consult over the establishment of consular ties between the two countries. But it is seen by diplomatic observers here as another sign of flexibility in the Soviet diplomacy after Mikhail Gorbachev came to power.

According to diplomatic sources here, Gorbachev has criticized his predecessors' Mid-East policy as "too rigid". "Whatever the Americans can do, we can do also," he was said to have instructed his Foreign Ministry officials.

The Soviet-Israeli talks in Helsinki are seen by diplomatic observers here as an attempt of Moscow to play a more important role in the Middle East affairs. They considered that Moscow's wishes, first of all, are to remove an obstacle to its taking part in an international meeting for the Mid-East peace to end the Arab-Israeli conflict.

Israel had vehemently opposed the Soviet participation in such a meeting on the ground that there are no diplomatic ties between the two countries.

To placate the Syrians who have been strongly opposed to the Soviet initiative to restore its ties with Israel, the Soviet ambassador here has stated that the Soviet Union, while not opposing the existence of Israel as a state in the Mid-East, will not restore its normal relations with Israel so long as it persists in its policy of agression.

The Soviet-Israeli talks are seen as one of the steps taken by the Soviet Union in its new Mid-East diplomacy chalked out by Gorbachev.

As another step, the Soviet Union is promoting a meeting of reconciliation between different factions of the palestinian organizations.

When Algerian President Chadli Bendjedid visited Moscow last April, the Soviet leaders discussed with him the issue of restoring the Palestinian unity. The Algerian president took the initiative to propose convening the reconciliation meeting of different Palestinian groups soon after his Moscow visit.

After a meeting of five Palestinian groups including Fatah, the mainstream of the Palestine Liberation Organization (PLO), the Damascus-based Democratic Front for Liberation of Palestine (DFLP) and the Palestine Communist Party (PCP) met in Tunis in July. Leaders of Fatah, DFLP and the PCP were then invited to Moscow for a meeting in early August.

During the meeting, the Fatah was reportedly resolved to compromise with the Damascus-based organizations on the terms for a reconciliation.

The third step is shown in Lebanon. The newly appointed Soviet ambassador to Lebanon seems active in contacting different factions in Lebanon including Christians. It has also shown keen interest in financing the U.N. interim force in South Lebanon (UNIFIL) and has expressed willingness to send its troops to join the U.N. Peace-Keeping Force after the U.S. threatened to stop its funding and France intended to withdraw from the UNIFIL. This unprecedented step led to the change of the U.S. and French attitudes toward UNIFIL.

It seems that the new Soviet flexibility toward Israel, its closer ties with the PLO and its new move in Lebanon might cause Syria's displeasure. What impact the new Soviet Mid-East diplomacy would have on the situation in this region remains to be seen.

SOVIET FRIENDSHIP DELEGATIONS VISITS HEILONGJIANG

SK160234 Harbin Heilongjiang Provincial Service in Mandarin 0900 GMT 15 Aug 86

[Text] The delegation of the Soviet-Chinese Friendship Association of Khabarovsk Border Area in the Soviet Union paid a visit to Heilongjiang Province. At the invitation of the Sino-Soviet Friendship delegation of the Soviet-Chinese Friendship Association of Khabarovsk Border Area, headed by (Damajiasiweiji), vice chairman of the Executive Committee of Khabarovsk Border Area of the Soviet Union, arrived in Harbin on 12 August for a friendly visit to our province.

During its sojourn in Harbin, the delegation visited plants, shops, hospitals, agroscientific academies, and exhibition halls; laid wreaths to the Monument to Soviet Red Army revolutionary martyrs; and toured the city and Songhua Jiang.

Hou Jie, the provincial governor; Gong Benyan, major of Harbin City; and Wang Yaochen, chairman of the Sino-Soviet Friendship Association of Heilongjiang Province, respectively received and feted the Soviet guests, and had friendly talks with them. Du Xianzhong and Li Jiating also attended the reception.

The delegation will leave Harbin on the evening of 15 August, and go back to its country via Suifen He on 16 August.

JAPAN EXTENDS GRANTS FOR CHINESE PROJECTS

OW181402 Beijing XINHUA in English 1354 GMT 18 Aug 86

[Text] Beijing, August 18 (XINHUA) -- Japan will extend grants totalling 3.485 billion Japanese yen for two Chinese projects. One grant of over two billion yen will be used for the establishment of a rehabilitation research center for the physically disabled in Beijing, and another grant of 1.465 billion yen for the establishment of water-purification facilities in Changchun City, northeast China. the two projects will be completed in 1988.

Documents concerning the grants were exchanged between assistance Chinese Minister of Foreign Economic Relations and Trade Shen Jueren [as received] and Japanese Ambassador to China Yosuke Nakae here today.

WANG ZHEN MEETS JAPANESE TRADE ADVISER

OW181210 Beijing XINHUA in English 1133 GMT 18 Aug 86

[Text] Beijing, August 18 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, met here today Kaheita Okazaki, permanent advisor to the Japan-China Association on Economy and Trade, and his party. Okazaki, who is nearly 90 years old, and his party have visited Shanghai and Xinjiang since their arrival in China on August 10. They will leave here for home tomorrow.

TIANJIN MAYOR RECEIVES JAPANESE DELEGATION

SK190255 Tianjin TIANJIN RIBAO in Chinese 5 Aug 86 p 1

[Excerpts] Li Ruihuan, mayor of Tianjin Municipality, received and feted all members of the visiting delegation from Yokkaichi Harbor, Mie Prefecture in Japan, headed by Prefectural Governor Tagawa Ryozo, at a guesthouse on the evening of 4 August. Guests and host shared cordial and friendly conversation.

Mayor Li Ruihuan expressed thanks to Mie Prefecture for giving assistance to establishing the friendship ties between Yokkaichi City and Tianjin Municipality. [passage omitted]

Li Lanqing, vice mayor of Tianjin Municipality, attended the reception and banquet.

On 4 August, the Japanese guests visited the Tianjin Economic and Technological Development Zone, the Tianjin Harbor, and the carpet plant No 2. They also held talks with relevant departments of the municipality on conducting economic and trade cooperation.

PLA COMMANDER DEPARTS BEIJING FOR NORTH KOREA

OW181200 Beijing XINHUA in English 1157 GMT 18 Aug 86

[Text] Beijing, August 18 (XINHUA) -- Qin Jiwei, alternate member of the Political Bureau of the Chinese Communist Party Central Committee and commander of the Beijing units of the Chinese People's Liberation Army (PLA), left here today on a vacation visit to the Democratic People's Republic of Korea.

XINHUA COMMENTS ON SRV-LAOS-PRK COMMUNIQUE

OW181820 Beijing XINHUA in English 1800 GMT 18 Aug 86

["Vietnam Persists in Its Position on Kampuchea" -- XINHUA headline]

[Text] Hanoi, August 18 (XINHUA) -- A communique issued today at the end of the 13th foreign ministerial meeting of Laos, Vietnam and the Heng Samrin regime in Kampuchea shows that Hanoi still holds on to its policy of military occupation in Kampuchea.

With the Kampuchean problem as the top issue, the meeting was held here on August 17 and 18.

While preaching on the political solution of the Kampuchean problem, the communique again rejected the eight-point proposal extended by the Coalition Government of Democratic Kampuchea (CGDK).

The CGDK proposal, which was put forward on March 17, calls for a two-phase military pullout by Vietnam from Kampuchea over a period of time and the formation of a four-party coalition government, including the Hanoi-installed Heng Samrin regime, after the first phase of the Vietnamese troop withdrawal.

The communique described the eight-point proposal as "unrealistic" and "unacceptable," saying that Vietnam will not withdraw completely from Kampuchea before 1990.

The communique claimed that the Kampuchean problem should be solved through negotiations between Thailand, Vietnam and the Hanoi-backed Phnom Penh regime.

RENMIN RIBAO REBUTS HENG SAMRIN ATTACK ON PRC

HK180955 Beijing RENMIN RIBAO in Chinese 17 Aug 86 p 6

["Jottings" by Rong Jiu: "The Worlds of a Lackey"]

[Text] Issue No 11 of the Soviet journal KOMMUNIST, which came off the press on 6 August, carries an article by Heng Samrin, chairman of the Council of State of the Phnom Penh regime. While attacking China by name the article alleges that since 7 January 1979 when Vietnam invaded Cambodia, Cambodia has entered a "new era" of "independence" and "real freedom." A puppet that has been propped up entirely by an invader from outside should not talk about the "independence" and "real freedom" of his country. This has indeed made people wonder whether he is shameless or muddleheaded.

Does the fact that the land of Cambodia is trampled on by 180,000 Vietnamese aggressive soldiers mean a "new era" of "independence?" Does the "real freedom" that Heng Samrin speaks highly of mean that over 50,000 Vietnamese "advisers" control the organizations at all levels in the Phnom Penh regime and that even Heng Samrin himself must always obey the orders from the Vietnamese authorities? These are indeed the words of a lackey. In order to curry favor from his master, Heng Samrin obstinately stands facts on their head at the cost of being regarded as shameless by other people. Is it worth it?

In fact, it is impossible that Heng Samrin does not know the real predicament in which Cambodia and he are now. It is necessary to point out that he has an immediate way out if he does not want to remain a traitor to Cambodia's independence and freedom. This is to accept the 8-point peace proposal of the Coalition Government of Democratic Kampuchea. Unless he does this, there can be no "independence" or "real freedom" whatesoever for Cambodia. No matter what extravagant account he gives, it is but a lie to cheat other people and himself.

NPC CHAIRMAN PENG ZHEN GREETS THAI COUNTERPART

BK151334 Beijing International Service in Thai 1330 GMT 14 Aug 86

[Text] On 13 August Peng Zhen, chairman of the NPC Standing Committee, sent a telegram to Dr Ukrit Mongkhonnawin and Chuan Likphai, profoundly congratulating them on their assignments as president and vice president of the Thai National Assembly. The telegram says:

Bangkok,

The National Assembly of the Kingdom of Thailand.

Your Excellency Ukrit Mongkhonnawin, president of parliament,

Your Excellency Chuan Likphai, vice president of parliament:

We are glad to learn that you have been assigned the presidency and vice presidency of the National Assembly of the Kingdom of Thailand. On behalf of the NPC Standing Committee and the Chinese people as well as for myself, I would like to express my profound congratulations to you and the hope that the friendly relations between the NPC and the National Assembly of the Kingdom of Thailand as well as the longstanding friendship between the peoples of China and Thailand be further developed. May the Kingdom of Thailand be prospersous and its people be happy!

PRC, GDR TO AGREE TO REESTABLISH RELATIONS

HK181137 Hong Kong AFP in English 1131 GMT 18 Aug 86

[By Pierre-Antoine Donnet]

[Text] Beijing, Aug 18 (AFP) -- The Chinese and East German Communist Parties are to re-establish relations, or at least agree to do so, when the East German president visits Beijing in October, authoritative East European sources said here Monday.

The sources also said that during his visit Erich Honecker would meet China's President Li Xiannian and Chinese Communist Party General Secretary Hu Yaobang.

The re-establishment of party-to-party ties had been accepted by the Soviet Union, which appreciated that new official links between the Soviet and Chinese parties would take longer to forget and had approved the resumption of relations between the Chinese and other East European parties, the sources said.

All East European communist parties, with te exception of Romania's and Yugoslavia's, broke off relatins with their Chinese counterpart after Moscow and Beijing fell out for ideological and strategic reasons in 1960.

China has several times this year indicated that it is ready to re-establish party relations with East European countries, excluding the Soviet Union.

The East European sources said the principle of renewing liks between the Chinese and East German parties had been discussed when East German Culture Minister Margot Honecker, Mr. Honecker's wife, visited China recently.

They also said that the secretaries of the Hungarian and Polish Communist Parties, Janos Kadar and Wojciech Jaruzelski, should be visiting China this year or next with a view to re-establishing party relations.

A thaw in Sino-Soviet relations that began in 1982 has been accompanied by warmer relations between China and East European countries, borne out by an increase in the last three years in the number of visits by Chinese and East German senior officials to each other's countries.

Mr. Li and Mr. Hu have indicated to visiting East German officials that Beijing is ready to forge new ties with East Euroepan communist parties.

China has often said it has no political or strategic quarrel with East European Countries other than the Soviet Union.

Beijing says there are three obstacles to the normalisatin of relations with Moscow, including the renewal of links between the Chinese and Soviet Communist Parties.

They are Moscow's support for the Vietnamese military presence in Cambodia, Soviet military intervention in Afghanistan, and the strength of Soviet forces on China's borders.

The East European sources said Mr. Honecker would take the opportunity afforded by his trip to China to visit Mongolia and North Korea.

CHEN MUHUA ARRIVES IN ZAMBIA FOR 5-DAY VISIT

Meets Zambian President

OW151124 Beijing XINHUA in English 1043 GMT 15 Aug 86

[Text] Lusaka, August 14 (XINHUA) -- Zambian President Kennethe Kaunda today described as close and warm the relationship between Zambia and China, when he received visiting Chinese State Councillor Chen Muhua at Mfuwe, eastern province. Kaunda, who is on working holiday at Mfuwe, thanked China for its assistance in various fields, saying that "in our dark days, China helped us to build the Tanzania-Zambia railway (Tazara). China is an all-weather friend of Zambia."

Chen arrived in Zambia Tuesday for a five-day visit, during which she will attend celebrations of the 10th anniversary of the Tazara.

On behalf of the Chinese Communist Party and government, Chen handed over to him a check of two million kwacha (about 370,000 U.S. dollars) as a donation to help build a new headquarters for the country's ruling party. Chen conveyed to Kaunda best wishes and warm greetings from Chinese leaders Hu Yaobang, Deng Xiaoping, Li Xiannian and Zhao Ziyang.

Attends Lusaka Banquet

OW161128 Beijing XINHUA in English 0940 GMT 16 Aug 86

[Text] Lusaka, August 15 (XINHUA) -- Zambian President Kennethe Kaunda praised the China-aided Tanzania-Zambia Railway (Tazara) as "a monument to our friendship and solidarity with the People's Republic of China." He made the remarks at a state dinner here this evening to mark the tenth anniversary of the Tazara.

Tanzanian President H. Mwinyi and visiting Chinese State Councillor Chen Muhua attended the dinner.

Kaunda said that the construction of the railway, "The Great Uhuru Railway", fully demonstrated the depth and sincerity of the cooperation between China and the countries in this region. "This railway line which proved so vital in securing our independence from threats of the illegal regime in Rhodesia, is once again emerging as one major source of strength and hope in facing threats of action against us by the apartheid regime in South Africa," he said.

Now the Tazara is available not only to Tanzania and Zambia but also to other eastern and southern African countries, he said.

He pointed out that the Zambian people will forever be indebted to China for its financial, material and moral support.

At Tazara Railway Anniversary

OW171422 Beijing XINHUA in English 1401 GMT 17 Aug 86

[Text] Kapiri Mposhi, Zambia, August 17 (XINHUA) -- A grand ceremony was held Saturday at Kapiri Mposhi, central Zambia, to celebrate the 10-year successful operation of the China-aided Tanzania-Zambia Railway (Tazara).

Speaking at the ceremony, Zambian President Kennethe Kaunda, Tanzanian President Ali Hassan Mwinyi and visiting Chinese State Councillor Chen Muhua joined in highlighting the significance of the successful operation of the 1,860-kilometer railway.

Kaunda called on his people to protect the railway from South Africa's threat to attack its vital installation and infrastructure. "Even with that dark cloud hanging over us, it is important to remind ourselves that the Tazara has the designed capacity of 2.5 million tons of freight per year and adequate capacity for passenger services," he said.

Mwinyi said that the Tazara, known here as the "Great Uhuru" (freedom) Railway, has played an important role not only in the economy of Tanzania and Zambia but also in the economy of the region. It is more so at the time when international economic sanction against South Africa is gaining momentum, he added.

In retaliation against Zambia and Zimbabwe, which called for sanctions against South Africa in the commonwealth mini-summit early this month, the Pretoria white regime has recently delayed traffic on its borders with the two countries and levied deposits on goods from and to them.

Praising China's role in the construction of the railway, he noted that China's assistance has proved that South-South cooperation is both possible and beneficial.

Chen Muhua pointed out that facts have once again proved that the three developing countries have the ability not only to build the railway but to manage it well. "It is our firm conviction that with more experience, the management of the Tazara will reach a higher level, and the railway will make still greater contribution to the development of Zambia and Tanzania and other parts of southern Africa," she said.

She unveiled a monument marking the 10th anniversary of the Tazara. Then the two presidents and the Chinese state councillor went on board a special train for a trip to Luanshimba station.

Chen Muhua left here for Nairobi this evening at the end of a five-day visit. During her stay in Zambia, Chen met with President Kaunda and held talks with Prime Minister K. Musokotwane and Secretary of State for Defense and Security A.K. Shapi.

Leaves Zambia, On to Kenya

OW190245 Beijing XINHUA Domestic Service in Chinese 1401 GMT 17 Aug 86

[Text] Lusaka, 16 Aug (XINHUA) -- Chinese State Councillor Chen Muhua left Lusaka for Kenya's capital Nairobi tonight after she concluded her 5-day visit to Zambia. Seeing Chen Muhua and her entourage off at the airport were Zambia's Secretary of State for Defense and Security Alex Shapi and Chinese Ambassador to Zambia Gu Jiaji.

During her visit, Chen Muhua participated in the activities held at Kapiri Mposhi, where the Tanzania-Zambia Railway terminates, marking the 10th anniversary of the successful operation of the railway. She also called on Zambian President Kaunda, and held talks with Zambian Prime Minister Musokotwane and Secretary of State for Defense and Security Alex Shapi.

Chen Muhua and her entourage also visited the construction site of the new headquarters of the Zambian ruling party, where Chinese experts and local construction workers are working together.

RENMIN RIBAO ON SOUTH AFRICA'S 'NEW PROVOCATIONS'

HK161630 Beijing RENMIN RIBAO in Chinese 15 Aug 86 p 6

["Short Commentary": "New Provocations of South Africa"]

[Text] Recently, the South African authorities have repeatedly conducted economic blackmail against Zambia, Zimbabwe, and other southern African countries, levied high taxes on Zambian and Zimbabwean goods in transit, and threatened to impose an economic blockade on these countries. Meanwhile, it dispatched special agents to sabotage transport routes and oil pipelines in both Zambia and Tanzania, and repeatedly invaded Angola. The new provocations of the South African authorities have aroused strong indignation of the African people and evoked close attention of the international community.

Since Botha declared emergency law in South Africa in June, the voice calling for international sanctions against South Africa has been rising. In this situation, the Pretoria regime has not slightly restrained its arrogance, but has attacked and blackmailed its neighbors more fiercely. This once again shows its tenacious adherence to apartheid and its serious defiance of the international community.

For historical and geological reasons, southern African countries have had many economic ties with South Africa. In particular, some inland countries must use South Africa as a passage to the sea for their exports and imports. By capitalizing on this, the Botha regime, while threatening these countries militarily, has blackmailed them politically and economically and put economic pressure on them in an attempt to force them to give up their struggle against racism.

What merits people's attention is that the new provocations of the South African white regime against southern African countries came just before the eighth nonaligned country summit to be held in Harare. This move is not only a threat to African countries, but also a blatant challenge to the Nonaligned Movement.

However, southern African countries that have been enslaved by the racist regime will never flinch from the blackmail of South Africa. The leaders of some frontline countries have declared that their countries will not give up the struggle against racism and will launch effective counterattacks against South Africa and protect themselves in the economic war. The Tanzanian Government has also declared its willingness to provide its ports as sea outlets for the threatened inland countries. The Angolan people are fighting resolutely against South African invasion. Third World countries and the international community have expressed support for and given assistance to southern African countries in their struggle against racism.

The outrages of the South African authorities have not only been condemned by people all over the world, but have also been opposed by more and more whites at home. The Botha regime has been thrown into unprecedented isolation. The decadent and reactionary apartheid system is doomed to failure, and the perverse acts of the South African authorities will only hasten the failure.

BEIJING RESPONDS TO HONG KONG NUCLEAR PROTESTORS

HK190131 Hong Kong SOUTH CHINA MORNING POST in English 19 Aug 86 p 1

[By Albert Chan]

[Text] Beijing yesterday made its first official comment on the growing Hong Kong opposition to the Daya Bay project, insisting that China has been listening to public opinion.

But a senior official at the Hong Kong and Macao Affairs Office, the policy department within the State Council in charge of the two territories, added that listening to Hong Kong opinion did not mean China had to shelve or scrap the project.

Mr Rong Kang, one of the department heads of the office, hit back at Hong Kong critics who accused Beijing leaders of turning a deaf ear to local feelings which had been overwhelmingly against Daya Bay.

His views were made in the form of a prepared statement delivered to lobbyists of the Joint Conference for the Shelving of the Daya Bay Nuclear Plant.

The 12-man delegation, armed with one million signatures collected in a recent campaign, met representatives from the Nuclear Industry Ministry and the Hong Kong and Macao Affairs Office.

Mr Rong's written statement said: "There are people who think only by scrapping or shelving the plant could China show its respect for the public opinion of Hong Kong.

"We think this argument is inadequate.

"There is no conflict between Beijing and the people of Hong Kong over the safety issue. By taking the safety issue seriously and by finding methods to solve safety problems, China is in fact paying respect to public opinion," he said.

"On the Daya Bay issue, China's attitude is to listen patiently to various kinds of arguments from the Hong Kong public and experts and then accept those which are reasonable and scientific.

"We will try to explain to those who voice views which are not reasonable or scientific.

"If this way of handling (the Daya Bay issue) is considered ignoring public opinion, such an accusation is without reason," said Mr Rong.

A top nuclear official who met the Hong Kong delegation yesterday said that there was no need for Hong Kong to draw up evacuation plans even for the worst disaster.

Mr Ma Fubang, director of the Nuclear Bureau of the Nuclear Industry Ministry, said his view was based on international experience.

He added that China's independent Nuclear Safety Administration would not issue an operating licence to the Daya Bay nuclear power plant if it was not satisfied with the safety assessment reports.

SUFFICIENT RADIOACTIVE WASTE STORAGE AVAILABLE

HK190033 Beijing CHINA DAILY in English 19 Aug 86 p 1

[By Staff Reporter Xu Yuanchao]

[Text] China has the capability to store radioactive wastes and to dispose of spent fuel from such domestic nuclear plants as those in Daya Bay and Qinshan, CHINA DAILY has been told.

Jiang Shengjie, Director of the National Nuclear Safety Administration, said that the Daya Bay nuclear power plant in Guangdong Province will have workshops to treat nuclear waste. Contaminated items, such as shoes, gloves, and workclothes, will be burned and then put into tanks with solidified waste.

High-radiation waste will be moved to a place designated by the government and stored 1,000 metres below ground for at least 1,000 years.

Low-radiation waste will probably be stored near the plant for further treatment, he said.

A preliminary safety report will be submitted by the plant to nuclear safety authorities and, once the report is approved, a license will be given for construction to begin at Daya Bay, Jiang added.

Emphasizing the safety of nuclear energy Jiang said that nuclear facilities have been built near big cities in many industrialized countries. "There has also been a nuclear reactor operating with in 50 kilometres of Beijing for 28 years, but no accidents have ever occurred," he said.

In the meantime, well-informed sources confirmed that contracts for key equipment to be supplied by foreign contractors will be signed next month as scheduled.

The three contracts for the plant involve two 900-megawatt reactors to be provided by the French company Frammatome, conventional equipment and turbine generators to be imported from the General Electric Company of Britain, and engineering services to be provided by Electricite de France, the sources said.

The Daya Bay plant, about 50 kilometres from Hong Kong, is a joint venture between China and a Hong Kong company. It is scheduled for completion in 1991, and 75 per cent of the electricity it generates will be supplied to Hong Kong.

According to Chinese officials, a training centre will be set up nearby and some technical personnel will be sent to France for training.

Located on the northern shore of Hangzhou Bay, the Qinshan Nuclear Power Plant is 126 kilometres southwest of Shanghai, China's largest industrial city.

PLA NAVY UNITS DISCUSS SOLDIER'S OBLIGATION

OW190239 Beijing Domestic Service in Mandarin 2130 GMT 18 Aug 86

[Text] Some cadres and fighters entertain the idea that it does not pay to be a soldier. Therefore, a certain minesweeping group and five other basic-level units of the PLA Navy have launched discussions about gains and losses in order to educate cadres and fighters on correctly handling relations between personal interests and the interests of the revolution and on fostering the Communist Party member's concept of gains and losses.

The idea that it does not pay to be a soldier has been expressed in different ways in these units. Some say that the state has long since shifted its focus on economic construction and soldiers are no longer popular; others say that, economically, being a soldier is worse than being a specialized household.

Leaders of these units have organized cadres and fighters to discuss these problems and let the masses educate themselves. In the course of discussion, these leaders, keeping in mind the current thinking of cadres and fighters, have studied whether it is feasible to evaluate gains and losses according to the principle of exchange of equal values. They feel that exchange of equal values is a principle in the field of commodity circulation and should not be applied to the concept of give and take. Communist Party members and revolutionary fighters should have much higher requirements in contemplating give and take. Making contributions is our lofty duty and obligation.

Fighter Sun Bangxin said: Soldiers must not have ulterior motives when making contributions. We must defend our motherland without demanding anything in return.

Zhou Qibiao, political instructor of a certain regiment, said: When I saw the people in my hometown all becoming rich, I thought that I had to take off my uniform to become rich. After joining this discussion, I realize that revolutionary soldiers should have the understanding and vision of becoming rich after all the people of the country have become rich. In order for the people to become rich, we must not choose to take off our uniforms.

Discussions about gains and losses have now attracted the attention of leading cadres at all levels throughout the Army. Yu Qiuli, director of the PLA General Political Department, has a very high appraisal of these discussions. He said: This is concrete action in building a socialist spiritual civilization and ideally conducting education in party spirit. He urged all PLA units to unfold intensive discussions about gains and losses so as to foster a correct view.

UNIVERSITY REFORMS TEACHING OF POLITICAL THEORY

OW182117 Beijing XINHUA Domestic Service in Chinese 2258 GMT 16 Aug 86

[By reporter Liu Linchun]

[Text] Beijing 17 Aug (XINHUA) -- A popular saying goes: "Students are as afraid of examinations as farmers are of weeds." But this reporter recently heard of students not being afraid of examinations at the China People's University.

During the last school term, two freshmen classes from the China People's University Department of Journalism took an examination on the principles of Marxist philosophy. The examination contained four questions only, and the students were allowed to use text and reference books. One of the questions was: "As far as individual skills are concerned, players on the world all-star women's volleyball team are better than their counterparts on the Chinese women's volleyball team. Why then did the former lose twice to the latter? What is the philosophical theory involved?" After the examination, examinees continued to talk about it, saying questions of this nature and the way of conducting the examination were very good. Associate Professor Wang Yu who presided over the examination said: "Many of these students were not interested in studying philosophy at the beginning, and some of them were just interested in getting the credit. But, judging by this examination, they have not only heightened their interest, but also have gained much in their study."

Of course, what prompted students who were just interested in getting credit to become interested in what they were studying was not just the change in the examination method. During a certain period of time in the past, some of the political theory teaching materials and the method of teaching the subject were more or less divorced from our socialist modernization efforts and the students' actual way of thinking. The situation needed to be improved urgently. From its teaching experience, the China People's University learned that the vigor of the education in Marxist theory comes from closely integrating Marxist theory with the actual situation. We should not only link Marxist theory to our modernization efforts, but also to current trends in world developments and the change in the way of thinking young people and students. After making proper arrangements, the China People's University began to reform its teaching of political theory on trial basis. Beginning last school term, the university began to give, using new teaching guidelines, lectures on five subjects on Marxist theory, namely, the principles of Marxist theory; socialist economic theory and practice; the revolutionary history of China; issues on China's socialist development; and world politics, economy, and international relations; to 500 students in eight classrooms. In giving lectures on the principles of Marxist theory on a trial basis in the department of journalism, every effort was made to reduce duplication in the contents of these lectures with what was learned in high school philosophy classes and what was taught in other theoretical subjects. In lecturing students, teachers paid attention to systematically explaining the basic principles of Marxism while pointedly dealing with theoretical and practical issues that need to be solved in our time. In addition, they frequently gave special reports on the development of modern sciences and on different schools of thought in Western philosophy. Regarding teaching methods, the university adopted a combination of lectures by teachers and self-study and discussion by the students. Such teaching materials and methods were widely welcomed by the students.

The new program for the socialist economic theories and practice courses shows a drastric change from traditional political economy teaching materials. It deals with socialist economic relations as a major subject and makes macro- and micro-analyses and discussions from various angles. The course lectures explain not only the fundamental principles but also the characteristics of the operations and management of the socialist economy. They elaborate not only on the bright future of the development of socialism, but also on the reality and prospects of the socialist economy. And they not only deal with China's economic structural reform and the work of building socialism with Chinese characteristics, but also compare China's economic system with those of other socialist countries and discuss the different forms of the socialist economic systems. Last semester this course was taught on a trial basis to some students of philosophy, law, and six other departments.

The students showed great interest in this course and felt that it was rich in content and full of vivid details. They came to understand a number of questions that they had been concerned about but had been unable to answer, for example, why economic structural reform was needed and why it was necessary to put the planned commodity economy into practice. What is more, after taking the course for one semester, some literature and history majors wanted to switch to specializing in Marxist economic theories. Commenting on this, the teachers for this course said: The course has been well received by the students not because of its high theoretical level, but because it has integrated theories with practice in an attempt to bring the Marxist economic theories back from the ethereal to the human plan. [passage indistinct]

DEMOCRACY, LIBERTY, HUMAN RIGHTS NOT BOURGEOIS

HK181019 Beijing GONGREN RIBAO in Chinese 11 Aug 86 p 4

[Article by Zhou Mianwei: "The Right To Use the Slogans of Democracy, Liberty, and Human Rights Does Not Belong Only to the Bourgeoisie"]

[Text] Over the past few years, the slogans of "democracy, liberty, and human rights" have given rise to much controversy on the China mainland. In the minds of a large number of people, whoever talks much about democracy, liberty, and human rights is suspected of being divorced from the party leadership and socialist path and of seeking bourgeois liberalism.

Indeed, it was bourgeois thinkers and statesmen who first raised the slogans of "democracy, liberty, and human rights." In the early stage of capitalist development, the raising of these slogans was determined by the capitalist relations of production and was an inevitable outcome of the development of the commodity economy. The feudal autocratic system, which was based on small-production natural economy, had seriously obstructed the vigorous development of the newly emerging bourgeoisie. In an effort to develop commodity production, the bourgeoisie needed a large number of wage laborers. However, the feudal relationship of personal attachment had bound people hand and foot; the rigidly stratified feudal hereditary system had seriously infringed upon the rights and interests of the bourgeoisie to exchange commodities on the basis of equality. Thereupon, the representative figures of the bourgeoisie raised the slogans of "democracy, liberty, and human rights," which served as revolt against backward feudal ideology.

History has been forging ahead and each era has left its growth ring and created the fruit of civilization of which it is proud. Through settlement and transmission these fruits have become the spiritual and cultural wealth of mankind. Most people have realized that it is necessary to carry forward the excellent achievements in science, technology, ethics, and morality. However, people often have serious misgivings on such issues as how we should deal with the political slogans raised by the bourgeoisie and whether there is something in its political system of which we can make use. In my view, bourgeois political slogans and systems also include the fruit of civilization and have something future generations can make use of and absorb. Democracy, liberty, and human rights are one of the results of the struggle against feudalism. For example, the bourgeois democratic system has been raised to counter the feudal autocratic system. It has broken the narrow bounds of ancient democracy (city-states' collective consciousness). Moreover, various institutions, such as parliamentarism, universal suffrage, and division of power, contained in the democratic system have developed into a set of well-knit and complete organizational structures, which coordinate with and contain one another. [paragraph continues]

It contains a scientific and rational element of social organization. Whether we admit it nor not, the many democratic institutions of our republic, such as universal suffrage and the Constitution, are the outstanding outcome of what we have learned and absorbed from our predecessors. As another example, the slogan of liberty is what progressive mankind is seeking. When expounding the essence of communist society, Marx and Engels believed that when the time came, everybody could freely develop in an all-round way. In the "Communist Manifesto," they made a famous remark: "The free development of each is the condition for the free development of all." China's Constitution also clearly stipulates: Citizens enjoy freedom of speech, of the press, of assembly, of association, of procession, and of demonstration, and these freedoms are materially and legally guaranteed. Although Marx and Engels exposed the class nature of the slogan of human rights, they also held that it could be use in a certain period as a means of mobilizing and uniting the masses. In the great "7 February" strike during the great revolution in China and in the "'1 August' Declaration" put forth during the War of the Resistance Against Japan, the CPC also put forward various slogans, such as "for liberty and human rights" and "fight for human rights and liberty." In my view, therefore, we must make a concrete analysis of the political slogans of the bourgeoisie and should not oppose whatever the bourgeoisie advocates. Of course, all political slogans are characteristics of certain classes and are in their service. However, as long as these slogans (such as democracy, liberty, and human rights) reflect the just rights and demands of the people (although the ruling class must grant them under the pressure of the people's struggle), mirror the requirements of the advanced productive forces, or reflect the scientific and rational demands of social organizations, they are the outcome of civilization. Then we must discard the dross and select the essential, eliminate the false and retain the true, and absorb what we need in the same way as we treat other cultural heritage of the bourgeoisie.

Naturally, all political concepts and slogans are the outcome of a certain historical stage and reflect the interests of certain classes or groups. The concepts and slogans we are using now, such as democracy, liberty, and human rights, are fundamentally different in nature, connotation, and applicability and in the status of political life from those put forward in the past. We now raise the slogans of democracy, liberty, human rights, and humanitariasm and give them a certain status because this is the need of the four modernizations program and the development of the reform. We oppose both the decadent bourgeois ideology and the feudal ideology. For now, the historic task of opposing surviving fedual influences are even more arduous. In practical life these feudal influences are to be seen in a lingering clan mentality and hierarchy in social relations, in certain instances of assumed inequality of status in the relations between leading comrades and their subordinates and among cadres, in a weak sense of the rights and duties of citizens, in the barriers between departments or regions in economic work in the practice of taking advantage of one's power and position to further one's personal interests or to engage in business activities, in the autocratic style of chauvinism in foreign relations, in the patriarchal ways and the practice of nepotism among the ranks of cadres, and in some defects of the leadership system. They have seriously obstructed the development of the socialist commodity economy. For this reason, Comrade Deng Xiaoping pointed out in 1980: "Now it is essential to state clearly that we must continue to labor at the task of eliminating the surviving feudal influences in the ideological and political fields and that we must carry out a series of effective reforms in our institutions. Otherwise, our country and people will suffer further losses."

When further implementing the policy of opening up to the outside world, China must more flexibly assimilate the good things created by the people of other countries, including the good things in the past. China must adopt more terms that are commonly used in the world, and not use "revolutionary" terms in everything, which deter other people from being on intimate terms with us. I think democracy, liberty, human rights, humanitarianism, and so on are exactly the excellent terms commonly used in the world.

'LAND USE FEES' ARRANGED ON SLIDING SCALE

HK180512 Hong Kong HONGKONG STANDARD in English 18 Aug 86 Business Standard p 1

[By Yau Shing-mu]

[Text] Beijing has reduced land prices following complaints from foreign investors that the prices were high.

The local government has also set different prices for land depending on its use, a departure from the present practice of charging in flat fee for land in the town centre.

Under the sliding scale of fees introduced, the highest price will be for hotels, followed by those for commercial buildings, residential apartments, factories, recreational establishments and research institutions. The lowest fee will be for educational colleges.

Though the Chinese Government does not lease land, "land use fees" are charged instead.

The State Council gives discretion to local authorities to have its pricing scale on land use for different categories if the annual rates fall in the range between five to 300 renminbi (equivalent to HK$11 to $600) per square metre.

The price range has been criticised as too wide because many investors complain the prices are much higher than what they have expected from China. The prices are usually set close to the maximum end in muncipalities, like Beijing and Shanghai.

Consequently, office rents have become expensive averaging between U.S. $360-600 per square metre a year.

Unfurnished office space in Beijing costs $360 per square metre a year, $270 in Shanghai and varies between $360-$480 in Guangzhou. Some projected rentals in Tianjin will be boosted up to $600 per square metre a year.

The rent level is comparable to or even exceeding other international cities.

According to a survey by Richard Ellis in London, Hong Kong's average net rental, which it ranks the sixth in the world, stands at $431 per square metre a year.

For other cities such as Singapore and Sydney, the occupation cost is respectively $237 and $338.

That runs contrary to China's efforts in promoting the low cost of production as a favourable condition for investment.

Moreover, no matter whether the land is for building a hotel or setting up a school, the same amount of the fee has to pay. [sentence as published]

An official of the Institute of International Law at the Foreign Affairs College recently told a group of Hong Kong people at Macao's University of East Asia that the Beijing Municipal Government has promulgated a new regulation to redress the situation.

The institute's deputy director, Yao Zhuang, said in the past Beijing charged a uniform rate of 300 renminbi per square metre annually for land in the town centre. The area covers well known spots as Zhang An thoroughfare, Dong Dan, Xi Dan, and Wang Fu Jing.

The new prices are: 120 to 150 renminbi for hotels; 70 to 80 renminbi for commercial purpose; 45 to 60 renminbi for residential use; 30 to 50 renminbi for factories; 20 to 30 renminbi for recreational setups; 15 to 20 renminbi for scientific research; and six to 10 renminbi for universities and colleges.

RENMIN RIBAO ON EMPLOYMENT, LABOR REFORM

HK140543 Beijing RENMIN RIBAO in Chinese 11 Aug 86 p 5

[Article by Lian Gen: "Optimum Employment and Reform of China's Labor System"]

[Text] Optimum Employment Should Be Allowed During the Socialist Period

Theoretically, the labor system mainly refers to the mode and way in which laborers and the means of production combine. It is determined by particular economic conditions.

Under the circumstances of public ownership of the means of production, the means of production are owned by the whole people. Taking the labor system into consideration, this means that every laborer is equal in terms of selecting their jobs. However, does this mean that any laborer can be employed at any post? No, this does not. This is because China's production rules at the present stage are marked by its multi-level structure: there is automatic, semi-automatic, mechanized and semi-mechanized equipment for production; as well as numerous simple, small and crude hand tools. The quality of laborers on such things as educational background, skills and proficiency is also different. Under these circumstances, each laborer can only be combined with different types of means of production. In order to put an end to this situation, we must greatly improve economic development, as well as scientific and technological standards, which is impossible in China with her present production level. At the same time, because of differences between mental labor and physical labor, as well as between simple labor and complicated labor, the equality of people in selecting a job can only be a relative one. Every laborer can only choose his job in connection with his labor capability.

We should also realize that in a socialist society, there are manifold relations concerning economic interests. On the one hand, enterprises owned by the whole people are producers of socialist commodities, and enjoy their independent economic interests. But if enterprises "ate from the same big pot" of the state, the state administrative organs might assign to them laborers who fail to meet the enterprises' requirements. If the enterprises were forced to offer them jobs, they would no long accept the centralized system of labor distribution but select laborers according to their needs, when they become the producers of socialist commodities. This is because they would independently run their operation and be responsible for their profits and losses. On the other hand, socialists labor comes with rewards. A laborer's employment at a certain post also involves his personal economic interests. Laborers always want the conditions of a job to be consistent with their skills and interests, so that they can exercise their capabilities, make the greatest contribution, and get the corresponding rewards. Therefore, laborers also asked for their right to select jobs. Thus we can see that during the socialist period, only when there is mutual selection between employers and laborers, as well as a rational circulation of the labor force, can we achieve the best combination between laborers and the means of production.

Optimum Employment Is a Reform of the Labor System

After liberation, China gradually formed the labor system of centralized distribution and the "iron rice bowl" system. This system played a positive role in finding jobs for laborers and stabilizing the social order. But the system denies laborers the right of selection, as well as enterprises the right of selecting their staff. Instead, the state administrative organs were responsible for assigning jobs to laborers in a centralized way. Thus, some laborers could not utilize their skills or their talents. Enterprises were unable to fire laborers who failed to meet their production and work requirements. This system must be reformed.

First, we should reform the recruitment system. Employers should recruit staff from society in an open way. On the basis of volunteerism, laborers may then register themselves according to their interests and skills, so that the employers can select the best candidate by comprehensively assessing the laborers' ethics, intelligence and physical strengthen.

Second, we should allow acts of dismissal and resignation. In the wake of the development of the technological revolution and socialist economy, outdated jobs are gradually eliminated while many new ones have been developed. Laborers also face changes in the quantitative and qualitative requirements for their jobs. There are numerous cases in which laborers are not correctly chosen for a job, or they cannot apply what they have studied. Because of the above-mentioned reason, we must allow the laborers to circulate appropriately. Upon discovering that his skill cannot be used in a position, a laborer may resign. Likewise, an employer may fire laborer whose qualifications fails to meeet the employer's requirements for a particular job. This will bring advantages to both the state and the laborer himself. But we must not think of this in terms of absolutes.

Third, we should implement the labor contract system. The mutual selection between laborers and units owned by the whole people, job commitments, job termination and other kinds of treatment directly involved the economic interests of the state, enterprises and individuals. In order to coordinate the relations of these kind of interests, the parties concerned must negoltiate among themselves, sign labor contracts, spell out the rights and duties of laborer and employer, as well as handle and readjust various labor relations.

Will this practice bring about "wage employment relations" between employers and laborers, which will then undermine the laborers' status of "being the master of their own affairs"? The answer is negative. This is because our labor contract system is essentially different from wage labor. In capitalism, the labor contract is a manifestation of capitalist relations. What it reflects is the relations in which capitalist exploit wage laborers. What the socialist labor contract reflects is the economic relations among the state, enterprises and laborers. The labor contract does not undermine the laborer's status of being the master of his own affairs. On the contrary, it helps consolidate and strengthen the laborer's status. The signing of a labor contract can effectively protect the laborers from any act of retaliation, as well as can safeguard their proper rights. Proceeding from another point of view, we should fire those people who act like a dog in the manger, are incompetent, and bring minimal or even negative labor results. Through this kind of job termination, these people will be able to perform well at posts which they like and are competent in. This does not undermine their status of being the master of their own affairs.

Will reform of the fixed-labor system deprive the laborers of their job security? The answer is also negative. To think of job security in terms of absolutes is just a weak point of the fixed-labor system. The implementation of the labor contract does not mean that the laborers' jobs are not secured. This kind of security should be the result of laborer's hard study and hard work. Some people said that the fixed-labor system was favorable to laborers in terms of mastering skills. But fact have shown that it is because in the fixed-labor system, there is an "iron rice bowl," that some people do not strive for progress. On the contrary, the labor contract system opens wide the door for laborers to study hard, improve their professional skills, and thus enable them to find their ideal posts.

Some comrades advocated that enterprises should recruit staff with diversified methods which would include both the labor contract and fixed-labor systems. Such as proposal has mixed up the labor contract system with the pattern of recruitment. In the labor contract system, employers are requested to sign contracts with laborers on various terms including permanent jobs, shift duties, temporary work and seasonal work. The prime feature of socialist labor relations is that a laborer can make a job commitment or terminate employment at any time; it does not mean an employer cannot fire a laborer. The reasonable practice should be like this: when a contract laborer performs his duty well and an enterprise needs him, the enterprise may hire him at a certain unit until retirement. Also, the enterprise may fire any fixed-labor worker who is incompetent. The fixed-labor employment should also be changed. Under these circumstances, those newly-recruited workers should no longer be employed in the form of fixed labor.

In order to implement the labor contract system, we must gradually establish the corresponding wage, welfare, insurance and labor management systems.

We must implement the principle of distribution acccording to work. In this labor system, optimum employment, job commitment and termination are consistent with the principle of distribution according to work. In connection with the requirements of this principle, a laborer's rewards are determined by his contributions. We should therefore allow laborers to select their jobs. On the other hand, optimum employment practices, job commitment and termination require an enterprise to really follwo the principle of distribution according to work. [paragraph continues]

We should give the highest wages to laborers who are at the most suitable age and who make the greatest contributions. If we do not adopt this practice, a unit will not recruit a laborer who makes a small contribution but asks for high wages. Acts of increasing a laborer's wages according to his age rather than his contributions will also obstruct the rational circulation of labor force.

We must reform the workers' welfare system. Both the fixed-labor workers and contracted workers of a unit should be treated equally when they use such welfare facilities as the canteen, bathrooms, clinic, nursery, kindergarten and recreational facilities. But the major problem is about workers' housing. The price of a two-room apartment should be worth 50 to 60 yuan per month if it is offered for rent. But workers now actually pay rent of several yuan a month. Therefore, many units are not willing to distribute flats to contracted workers. But the policy of charging a low rent to fixed-labor workers is also unfavorable to their circulation. Some units check their circulation by recalling their flats. The solution to this problem is to treat the flats as commodities. We should charge them rents according to the flat's real price, while increasing their wages.

The labor insurance system should also be correspondingly reformed. A unit should shoulder the responsibility of having its laborers insured, in addition to paying them wages by observing the principle of distribution according to work. Both the fixed-labor workers and contracted workers should be treated equally in terms of medical allowances, sick leave without deducting wages, subsidies for funeral service, pension and relief funds for the family of the deceased, and so on. But the problem is about retirement insurance. Our labor insurance system should be replaced by social insurance. Enterprises are production units of socialist commodities. As they face the risk of being eliminated in competition, they should not be the one responsible for undertaking the insurance work. Moreover, the insurance responsibility of various enterprises differ greatly because their ratio of young and old workers is not the same. This is also an unfavorable factor for enterprises in their competition. From now on, we should establish social insurance institutions and make arrangements for an insurance fund, while enterprises should be responsible for paying a premium for their workers.

We should do well in managing the unemployed workers. According to the principle of optimum employment, both laborers and employers can make their selection. The employers can terminate a laborer's employment, while a laborer can resign from a post. This will inevitably bring about a situation in which some people are unemployed. Thus, we need to develop and strengthen the organization that deals with surpluses and shortages in the labor force -- the labor service company. After absorbing the surplus manpower from various units, the labor service company will help them develop new production skills, or help them create new opportunities for employment by offering them training of another trade. To protect the unemployed people's equal right of selecting jobs among units owned by the whole people, they may find their new jobs by going through the recruitment procedure. Furthermore, the labor service company should offer training and give guidance to the unemployed youths.

DENIAL OF LABOR 'MARKET' UNDER SOCIALISM ILLOGICAL

HK131444 Beijing GUANGMING RIBAO in Chinese 2 Aug 86 p 3

[Article by Han Zhiguo: "Labor Remains a Commodity Under Socialist Conditions -- A Discussion on the Ideas of Comrades Wang Jue and Xiao Xin"]

[Text] On 12 July 1986, GUANGMING RIBAO published an article by Comrades Wang Jue and Xiao Xin entitled "Tentative Views on the Labor Resources Market" (hereinafter called "Resources" for short). The article explores the rational transfer of labor under socialist conditions by denying the existence of the labor market and that labor is a type of commodity. I feel that the basic viewpoints contained in the article "Resources" do not hold water. Their denial of the existence of the labor market under socialist conditions and of labor as a type of a commodity has led to insoluble logical contradictions.

The Labor Resources Market and the Labor Market

Advocating the "overall, rational transfer" of labor while in the meantime refusing to admit the existence of the labor market under socialist conditions is a principal contradiction in logic of the "Resources" Article. To deny that labor under socialist conditions is a commodity, the writers of the "Resources" article put forward the concept of a "labor resources market" in an attempt to evade the concept of the labor market. However, a careful analysis will help us understand that it is illogical to term the place for the transfer of labor a "labor resources market."

First, labor resources include both animate and inanimate labor resourcews. What is transferred in the market as an essential subjective factor of the productive forces can only be animate labor resources. Second, if the labor resources in the "labor resources market" are interpreted as animate labor resources, these animate labor resources may either be real resources (the labor force) or latent resources (children), and if the market is referred to as a "labor resources market" in general terms, does it not include children? Third, in substituting the "labor resources market" for the labor market, the article does not explain whether these labor resources are supplied by laborers themselves or by others. It does not indicate the main difference between a site for the transfer of labor, which is an essential production factor, and a human exchange market, and that the seller of the labor is the owner of the labor, nor does it accurately show the characteristics of transfers of labor in the socialized commodity economy. Therefore, I am of the opinion that like the "labor market," "labor service market," and "occupation market" concepts, the "labor resources market" concept is unscientific. Only the concept of the labor market can cover the content, form, and characteristics of the transfer of labor in a commodity economy and is therefore the most scientific concept.

The Mechanism for Realizing the Labor Force and the Prices of Labor

Stressing that "distribution of the labor force must be realized through market mechanisms" yet refusing to admit that the labor force under socialist conditions has a price is another contradiction in the logic of the "Resources" article. What are market mechanisms? This refers to the relationship and integration of various factors in the market. Of market mechanisms, the price factor is a key factor. The distribution of social resources in various production departments by market mechanisms is carried out through market prices. [paragraph continues]

Without market prices, there can be no market mechanisms, to say nothing of observing and applying the law of value. The writers of the "Resources" article attribute the spontaneous transfer of the labor force between various departments to changes in the price of the labor force to the special phenomenon of the capitalist economy, thereby denying the role of the prices of the labor force in a socialist economy. How can one use market mechanisms by excluding market prices from market mechanisms? This is merely simulating market mechanisms. As a matter of fact, by asserting that the labor force should take on the "nature of value" and adopt a "commodity form," the writers of the "Resources" article are recommending that the state simulate market mechanisms instead of using them.

Practice in socialist construction over the past decades where the state has simulated market mechanisms with no relation to the market forces of supply and demand has repeatedly proved unworkable. China's current wage reform in enterprises is an example. Why is it that wage reform now faces a dilemma? Fundamentally speaking, this is because we have not discarded the practice of using wages as an administrative lever instead of a market lever. In a commodity economy, laborers can link themselves with the means of production only through the market. Therefore, their wages should not be decided by administrative departments but by the market. In other words, their wages are the price of their labor. Only when the changes in wages are placed under the operation of market mechanisms can labor have a rational direction for transfer and a rational amount of transfer, thereby adapting itself to the essential objective factors of the productive forces; and only thus can the wages of complex laborers be higher than those of simple laborers, can staff members and workers with better skills be better paid than those with lower skills, can laborers be encouraged to improve their cultural and technological levels in the course of market competition, and can technological progress be prompted throughout the entire society. Continuation of the current wage distribution method, which is of a non-commodity economic nature, will not free wage reform from its difficult situation and will make it impossible to rectify wage relationships.

The Individual Nature of Labor and the Conditions for Labor To Become a Commodity

Admitting that labor "still has an individual nature: while refusing to admit that the labor force under socialist conditions is a type of commodity is also an important contradiction in the logic of the "Resources" article. Under socialist conditions, the individual nature of the labor force implies that a laborer can allocate his labor of his own accord and exercise his individual right of labor in the economic field through market exchange. The exchange of labor in the market as a type of commodity is the realization of such an individual right in the economic field. If labor is not a type of commodity, laborers cannot allocate their labor of their own accord, nor can they realize the value of their labor in the market. What, then, is the individual nature of the labor force? Moreover, the market is, in itself, a place for commodity exchange. Without commodity exchange, how can there be a market? The writers of the "Resources" article deny that labor under socialist conditions is a type of commodity from the angle that the means of production are under public ownership. This is also illogical. I am of the opinion that in judging whether labor is a type of commodity, apart from taking the individual nature of the labor force into account, another key point is to see whether laborers possess the actual means of production for direct distribution. Let us put aside the problem of state-owned enterprises being unable to cope with the development of the commodity economy. Even within state-owned enterprises, individual laborers are divorced from the means of production. They do not possess the actual means of production for direct distribution. [paragraph continues]

Only when they are employed by enterprises can they link themselves with the means of production and engage in labor. The results of their labor make it possible for them to earn their wages. Enterprises can dismiss them whenever they do not need them. Therefore, the combination of laborers with the means of production under socialist conditions is actually a type of exchange. Enterprises pay their laborers and laborers provide live labor for enterprises. This relationship is a relationship between selling and buying commodities. The labor contract system and the recruitment system practiced in various localities over the last few years are in reality a valuable step toward admitting that labor under socialist conditions is a type of commodity. This fact suggests that labor under socialist conditions as a type of commodity is an objective reality independent of man's will.

Labor as a Type of Commodity and the Socialist Commodity Economy

The theory of the socialist commodity economy is being established as a result of the profound development of economic structural reform. In the socialist commodity economy, labor must become a type of commodity. Why is there a commodity economy under socialist conditions? This is because there is an extensive social division of labor and individual ownership of labor. The individual nature of laborers has brought about the individual interests of labores as well as market competition between laborers. The collective interests based on the individual interests of laborers have given rise to market competition between enterprises, thereby given rise to market competition between enterprises, thereby allowing the realization of products to take the form of commodity exchange. The competition between individual and collective interests has brought about the emergence of market mechanisms, which regulate production and circulation in society. Therefore, only when labor under socialist conditions becomes a type of commodity will the products of social labor really become commodities.

Can we assume replacement of the old economic structure by a new one suited to the commodity economy without turning labor into a type of commodity? I think this is impossible. Without turning labor into a type of commodity, the economic interests of laborers cannot be linked with the results of production and operations; their initiative, enthusiasm, and creativeness cannot be brought into full play; and the practice of "everyone eating from the same big pot" cannot be eradicated. Without turning labor into a type of commodity, enterprises cannot freely choose laborers or decide on their wages, cannot really assume sole responsibility for their profits and losses, and cannot really become socialist commodity producers and dealers. Without turning labor into a type of commodity, it is impossible to form a commodity economy.

LAWS PROPOSED ON RECRUITING AND DISMISSING WORKERS

HK120352 Beijing CHINA DAILY in English 12 Aug 86 p 1

[Text] China this year will publish regulations concerning the dismissal of workers by State-owned enterprises for violating work rules, Gao Shangquan, deputy director of the State Commission for Restructuring the Economic System, said yesterday.

Also published will be regulations on recruiting workers and on labour insurance for the unemployed, as part of the effort to improve the contract labour service system now being tried out in a selected number of areas.

The system will become applicable nationwide with the publication of the fourth regulations specifying policies and rules, Gao said.

It was first introduced five years ago to break the so-called "iron rice bowl" practice which gives workers jobs for life. The country now has 3.5 million contract workers, accounting for 5 percent of its total industrial labour force, according to earlier news reports.

China's labour reform, Gao pointed out, was aimed at laying a foundation for a dynamic socialist economic structure in a period of five or more years.

He said this would call for separating the ownership and management of an enterprise, making the enterprise an independent economic legal entity responsible for its own losses and gains, instead of being controlled by higher administration.

Moreover, the prices of production materials will be readjusted to ensure reasonable taxation on the enterprises and the administrative planning will be narrowed so that most production materials are exchanged through contracts.

SELF-EMPLOYED INCREASE 'HUNDREDFOLD' SINCE 1976

OW181234 Beijing XINHUA in English 1139 GMT 18 Aug 86

[Text] Beijing, August 18 (XINHUA) -- The number of self-employed people in China has increased nearly a hundredfold over the past decade, according to a news release by the State Administration for Industry and Commerce today. The 17 million self-employed, 80 percent of them in service trades, had paid 7.8 billion yuan (2.1 billion U.S. dollars) in taxes between 1981 and 1985, and have become an "indispensable part of the national economy." Because their workers-owners directly profit from their work, the release said, "the businesses of the self-employed are usually the first to open and the last to close, making life easier for the people at large."

In some cases, such enterprises have developed from small handicraft work areas and shops into small-scale industries, involving mining, transport, tourism and consulting services. "Once they are running, some of them just grow and grow, and a few have broken into the international market, providing China with the foreign exchange it needs for economic development," the release said.

While a decade ago, at the end of the "Cultural Revolution," the handful of self-employed people were often looked down upon. Now they enjoy the same respect and social benefits as workers in state-and collectively-owned enterprises. And the self-employed are beginning to enhance their status and well-being by forming cooperatives that pool their economic power. So far, 3.1 million self-employed people are involved in 270,000 cooperatives.

While overall the ranks of the self-employed in China continue to grow, in some areas some of the self-employed have given up their businesses and have returned to regular jobs, according to the release. "We're not sure why this is happening," one administration official said. "But we're studying the problem and expect to develop suggestions for its solution."

NORTHEAST DEVELOPMENT SEMINAR OPENS IN HOHHOT

SK190821 Hohhot Nei Monggol Regional Service in Mandarin 1000 GMT 18 Aug 86

[Excerpts] The fourth seminar on strategy for the social development of the Northeast China Economic Zone opened in Hohhot this morning. This seminar will further explore the strategy for economic and social development of the Northeast China Economic Zone and for developing trans-provincial and trans-regional lateral economic integration.

Present at the seminar were responsible comrades of the pertinent departments under the CPC Central Committee and the State Council; specialists and scholars of various economic, research, and advisory institutions; leading comrades of the Shanghai Economic Zone Planning Office, the Beijing Energy and Economic Planning Office, and the Northeast China Economic Zone Planning Office under the State Council; and responsible comrades of Heilongjiang, Jilin and Liaoning Provinces and Nei Monggol Autonomous Region.

Liu Zuohui, vice chairman of Nei Monggol Region, presided over the opening ceremony of the seminar. Bu He, deputy secretary of the regional party committee and chairman of the region, delivered the opening speech. He said: Through the ages, there have been close ties between Heilongjiang, Jilin and Liaoning Provinces and Nei Monggol Region in the fields of politics, economy, and culture. Particularly since the 3d Plenary Session of the 11th CPC Central Committee, along with the development of the national economy and the penetrating development of reform, it has become more necessary to develop lateral economic cooperation.

Comrade Bu He said: The holding of the current seminar in Nei Monggol Region will vigorously study development and various other tasks, and will provide the region with a good opportunity to learn from the pertinent central departments and the three provinces of northeast China.

Wang Luming, deputy director of the Northeast China Economic Zone Planning Office uner the State Council, also spoke at the seminar. [passage omitted] Gu Zhuoxin, member of the Advisory Commission of the CPC Central Committee, also gave an important speech at the opening ceremony. Kong Fei, Standing Committee member of the National CPPCC Committee, attended the ceremony.

PROFIT-ORIENTED BANK SLATED FOR YEAR'S END

HK180511 Hong Kong SOUTH CHINA MORNING POST in English 18 Aug 86 Business Post p 1

[By Jasper Becker]

[Text] Shenyang: China's central bank is proposing to establish a new profit-oriented bank as part of widespread reform of the financial system.

The bank will be called the Communications Bank and based in Shanghai, it could be established by the end of the year, a senior official said.

In a significant departure from current practice, each branch will be allowed to operate independently instead of being administered from the centre, said Mr Ma Zhongzhi, vice-president of the Shenyang Branch of the People's Bank of China.

The People's Bank took over the role of central bank last year from the Bank of China. The latter now handles foreign exchange matters.

The new bank also plans to establish branches abroad. At present, only the Bank of China had overseas branches. Mr Ma said the Communications Bank would be a Bank of China competitor.

Shenyang -- a northeastern industrial centre and one of the five cities experimenting with banking reforms -- hopes to establish its own branch, he said.

"China's financial organs are very undeveloped. We need to expand and improve banking services to carry out the (national economic) reforms," Mr Ma said.

The Industrial and Commercial Bank was created two years ago, bringing the number of specialised institutions to four. The others are the Agricultural Bank, People's Construction Bank and Bank of China.

The aim of the reform is to inject competition into the system and make banks responsible for profits and risks, Mr Ma said.

"Competition is there now. Banks are competing to attract deposits and provide loans," he said.

Bank of China can now take deposits in yuan as well as dealing with foreign exchange.

Already competing with it for foreign currency deposits and loans is China International Trust and Investment Corp, which operates as a merchant bank and recently took over Hong Kong's failing Ka Wah Bank.

Under the old system firms seeking loans had to apply to the banks designated by higher authorities. Banks in turn could lend only funds on hand, and then wait until Beijing gave them more. Bad loans were never penalised.

Decentralisation, launched with the urban reforms at the end of 1984, created chaos with indiscriminate lending fuelling excessive growth. That culminated in the spring of last year in the removal of a number of senior banking officials.

Despite the redecentralisation that followed, the People's Bank is pushing ahead with efforts to create a more capitalist-style financial system.

Interest rates on deposits have been raised, foreign currency withdrawals sanctioned and other steps such as bond issues taken to boost deposits and make use of private savings.

Since the beginning of this year, banks in Shenyang, Wuhan, Chongqing, Guanzhou and Changzhou have been able to lend and borrow among themselves and set their own interest rates without going through Beijing.

The result is more rational use of capital, Mr Ma says, but there is a restriction -- accounts between banks must be settled each year.

A more sophisticated experiment was launched earlier their year in the same cities with short-term commercial paper which the People's Bank can discount. Interest is lower than for normal credit.

At the same time, the People's Bank is withdrawing from direct control in favour of reliance on four levers -- supervising bond issues, setting liability/equity ratios, controlling discount and rediscount of bills and regulating money supply.

But Mr Ma says the specialised banks are not all responding. "They have not yet really become enterprising concerns. They still operate on the "iron rice bowl" principle and regard themselves as government institutions."

BANK OF CHINA FACES LOAN CAPITAL SHORTAGE

HK180500 Beijing CHINA DAILY in English 18 Aug 86 p 2

[Text] Qinhuangdao -- The Bank of China is still acutely short of funds to provide loans to businesses involving foreign investment and no substantial improvement is expected in the next few years, a senior bank executive said here last weekend.

Despite the shortage, however, the bank pledged its full support for such businesses and will do all it can to help imporve the investment environment and attract more foreign capital into the country, the official said.

Speaking at the closing session of a working conference on loans to businesses involving foreign investment, the executive told delegates that his bank would adopt diversified methods to raise funds and would provide loans to certain select businesses to reduce risk.

He said the lack of adequate financing was the most serious problem in setting up Sino-foreign joint ventures and most of them needed the bank's help. According to a recent bank survey on 852 businesses that borrowed form the Bank of China, investments from both Chinese and foreign partners accounted for only 33.6 percent of the total investment. The rest came from bank loans and other sources.

The official said the bank would adhere to its consistent policy of supporting manufacturing businesses, particularly those that would introduce advanced technology into China, or were export-oriented and capable of maintaining a foreign exchange balance.

He said that to further improve its work, starting from next year, the bank would make separate plans for two types of loans -- the Chinese-side investment share loans and the joint venture's working capital loans. The move was considered by experts of the banking industry to be an important measure in providing loans to such businesses.

During the conference, delegates discussed the draft amendment of the bank's interim regulations on loans to businesses using foreign investment and agreed on strict clauses relating to loan guarantee and management to ensure safe returns.

In his closing remarks, the executive said the bank would also pay closer attention to personnel training. It will hold another meeting later this year to discuss and work out ways to solve problems of providing loans.

According to a recent government report, China used $24.9 billion of foreign investment and approved the establishment of 6,880 equity and contractual joint ventures, and wholly foreign-owned enterprises between January 1, 1979 and July 30 of this year.

Of the foreign investment used, $5.4 billion was direct investment, the report says.

LIAOWANG ON PROSPECTS OF FOREIGN EXCHANGE

HK160842 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 32, 11 Aug 86 pp 12, 13

[Article by Zhuang Kaixun: "Prospects for Foreign Exchange Equilibrium as Seen From China's Export Trade in the First Half of This Year"]

[Excerpts] China's foreign exchange balance and, in particular, its foreign trade deficits over the last 2 years have aroused widespread concern in economic and trade circles abroad. How was the situation in China's export trade in the first half of this year? What are the prospects for the expansion of its exports? What is the connection of all this with the balance of international payments?

A Strong Trend in Its Exports in the First Half of This Year

According to the statistics compiled by the Ministry of Foreign Economic Relations and Trade, in the first half of this year, the country's exports amounted to $12.8 billion, an increase of 13.7 percent over the same period last year. China's foreign exchange income dropped by a large margin in the first half of this year due to a drastic fall in international oil prices, but its exports of other commodities increased by 38.6 percent over the same period of last year. A large increase was registered in the export of cereals, oils, foodstuffs, textiles, and other light industrial products, native products, livestock products, handicrafts, hardware, minerals, machinery, and equipment.

A prominent change took place in the mix of the export commodities in the first half of this year, with an increase in the export of manufactured goods and an even larger increase in the export of textile and other light industrial products, native products, and agricultural and sideline products. From January to June this year, foreign exchange income from the exports of textile and other light industrial products amounted to $4.775 billion, the highest record in history. The export of 20 types of major textile products including cotton yarn, cotton cloth, polyester yarn, polyester fabrics, woollen fabrics, clothes, and knitwear increased by a large margin over last year. The export of polyester yarn, ramie yarn, woollen blankets, and cotton increased by 100 percent over the same period of last year, and the export of silk by 24 percent. A large increase was also registered in the export of light industrial products such as shoes, work gloves, clocks, wristwatches, bicycles, toys, and electrical household appliances. In the first half of this year, the export of handicraft articles exceeded that in the same period of the peak, 1981. There was a large increase in the export of drawnworks, ceramics, furniture, leather goods, and umbrellas. The export of pearl embroideries, artistic handbags, artistic toys, jewelry, and ornaments increased 100 percent. The exports of native products as well as agricultural and sideline products such as gunnysacks, fodder, white melon seeds, honey, camphor balls, and fine hair increased by a large margin over the same period of last year.

In the first half of this year, export enthusiasm rose in all parts of the country. The exports from Guangdong port totaled $1.76 billion, ranking first in the country; Shanghai port registered a foreign exchange income of $1.69 billion through exports, ranking second; Liaoning's exports amounted to $1.55 billion, ranking third; Shandong reaped $1.15 billion from its exports, ranking fourth; and Jiangsu registered $880 million, ranking fifth.

In the first half of this year, the quality of China's export commodities improved and their variety increased. From January to May this year, the export of Qingdao beer increased by 250 percent over the same period of last year, and the whole year's export has been calculated at 1 million bottles. [passage omitted]

The Cause of the Good Trend in Exports

Viewed from the international market, the sharp fall in oil prices resulted in the reduction of the production costs of oil-consuming countries and an increase in their purchasing power. This undoubtedly provided an opportunity for the growth of China's exports.

In addition, as a result of the institution of economic structural reform and the implementation of the policy of opening up to the world, various regions and departments paid attention to the supported exports. Examples follow:

-- The good points of the exports in the coastal areas, characterized by having accurate information, high technology, and numerous customers, were linked with the good points of the hinterland, which has abundant resources for exports. The five major ports of Guangzhou, Dalian, Shanghai, Qingdao, and Tianjin established various forms of lateral economic relationships with provinces in the hinterland. For example, from January to June this year, Shanghai transferred and purchased export goods from other provinces totaling 1.38 billion yuan, an increase of 48.3 percent over the same period of last year.

-- Factories and enterprises producing export commodities were linked with enterprises dealing in foreign trade and export commodities. [passage omitted]

-- The introduction of advanced foreign technology and equipment was combined with the work of increasing foreign exchange income through exports. [passage omitted]

China's export trade enjoyed support from banks, communications departments, and transport departments. While exercising good monetary macrocontrol, banks provided preferential support for the production and purchase of export commodities, thereby satisfying the needs for foreign trade loans. Statistics revealed that bank loans for foreign trade enterprises accounted for one-fifth of all commercial loans. China's oceangoing ships increased the number of runs and routes for foreign trade and exports. Foreign trade ports were built or expanded in many localities. The Shijiu port in Shandong -- China's largest deep-water coal export port -- was put into operation in May this year, with an annual coal export capacity of 15 million tons.

Strengthening Macrocontrol and the Management System

In the first half of this year, the country's imports amounted to $14.04 billion, a drop of 2.7 percent compared to the same period of last year. Adjustment was made to the mix of imports, with an increase in new technology, set equipment, machinery, implements, steel, and food and a decrease in copper, aluminum, chemical fertilizers, farm chemicals, sugar, and electrical household appliances. Trade deficits in imports and exports dropped from $3.16 billion in the first half of last year to $1.24 billion in the first half of this year. This drop indicates good prospects for China's foreign exchange equilibrium. [passage omitted]

To expand foreign economic and trade relations as well as technological exchange, the state further strengthened and perfected its macrocontrol and management system and used economic levers such as exchange rates, customs duties, taxes, and export credit to regulate import and export trade. The exchange rate between the yuan and foreign currencies was lowered by 15.8 percent on 5 July this year. It is normal to make adjustments to exchange rates in line with the changes in domestic and international market prices. According to an analysis by some people in economic circles, the last exchange rate adjustment will help expand exports and reduce the export costs of foreign trade departments, thereby increasing circulating funds for foreign trade. It will also play a certain role in restricting unnecessary imports and expanding tourism. Of course, the exchange rate adjustment will bring about new problems: The cost for producing export commodities by using imported materials will increase, it will be difficult to strike a balance between imports and exports, and "parallel goods" dealers will avail themselves of this opportunity to make profits. Therefore, people in economic circles suggested that the state should pay close attention to the new situation and new problems and take effective measures to strengthen its management so that the exchange rate adjustment will play an excellent role in promoting imports and exports.

Some people in economic circles believe that it is not strange that some deficits arise in import and export trade. Sometimes there is a favorable balance and sometimes there is an adverse balance. This is normal. A favorable balance totaling $9.4 billion was registered during the 3 years from 1981 to 1983, whereas the 2 years of 1984 and 1985 witnessed an aggregate adverse balance of $8.5 billion. The Chinese Government attaches great importance to improving the balance of international payments and strengthening its macrocontrol mechanism. It has also taken effective measures to prevent unnecessary imports. Therefore, there are reasons to believe that the prospects for China's foreign exchange equilibrium are good.

WAN LI SPEECH AT SOFT SCIENCE SYMPOSIUM

OW160701 Beijing XINHUA Domestic Service in Chinese 0632 GMT 14 Aug 86

[Wan Li speech at the National Symposium on Soft Science Research on 31 July 1986: "Making Decisions With a Democratic and Scientific Approach Is an Important Aspect in Restructuring the Political System"]

[Text] Beijing, 14 Aug (XINHUA) -- Comrades! This meeting -- the National Symposium on Soft Science Research -- is the first of its kind that has evern been held in our country. Comrades Song Jian and Gian Xuesen and many other experts have made incisive speeches at this lively meeting, imbued with new concepts. This is a significant event for the nation's intellectuals in general, and for those within the scientific and technological circles in particular.

I do not have much to say about the various disciplines of soft science. As far as I know, the basic purpose of soft science research is to provide a scientific basis for all types of decision-making, thus helping the leading authorities make decisions. In this sense, soft science research is decision research. It is an act of employing scientific methods during the decision-making process. In other words, it is a process of decision-making with modern scientific and technological means as well as democratic and scientific approaches so that the decisions are scientifically-based and institutionally-guaranteed products of collective wisdom, institutionalized through democratic and scientific approaches, and capable of expediting China's modernization. On several occasions recently, Comrade Deng Xiaoping proposed that research be conducted on the restructuring of the political system [zheng zhi ti zhi gai ge 2398 3112 7555 0455 2395 7245]. Specifically because of the close relationship between soft science research and the leading authorities' decision-making, as well as the restructuring of the political system, I would like to use this opportunity to share with you some of my personal observations:

1. Intensifying soft science research is essential for modernization.

Soft science research, which covers many fields of natural and social sciences, is comprehensive, multidisciplinary, and interdepartmental research. Today, following the rapid development of the new technological revolution in the world, science and technology have penetrated all spheres of material production and the social life of mankind and become basic features of modern civilization. Science and technology have become indispensable for solving all major economic and social issues. We often say that science and technology are powerful forces giving impetus to social development. Not only does this mean that direct use of scientific and technological achievements in production can significantly increase productivity; more importantly, it also means that, as a composite knowledge and a means of faciliting thinking, science and technology can help us make macroscopic observation and analysis of complex and changeable economic and social phenomena, and make accurate assessments and judgments, thus helping us make scientific decisions within an even broader scope and expediting the development in all social sectors as well as scientific and technological progres itself. This is the important mission of soft science research.

Although soft science is a term that had never been used in China until recent years, decision research has existed for a long time. The method of taking the mass line, exemplified in the requirement of "coming from the masses, going to the masses;" and the method of leading the masses by "amassing them to work perseveringly," as well as other methods such as using models, conducting experiments or investigation, and dissecting sparrows [jie pou ma que 6043 0472 7802 7158] -- methods advocated by our party over a long period of time -- are all effective methods facilitating decision-making, and they still are a precious legacy that we should carry forward. We must realize, however, that profound changes have indeed occurred today. The tasks confronting us today cover a much wider scope and are much more complex than those in the past, and the theories and methods for conducting decision research have been greatly developed and enriched, and have become increasingly profound. While it is important to investigate the social situation and thoroughly understand the nature and development of objective matters, it is even more important to do systematic, step-by-step studies and analyses of complex economic and social phenomena, and do comprehensive studies of their mutual relationship and influence. Thus, in the light of the many principles of natural and social sciences, we must use electronic computers and other advanced calculators and testing devices to conduct static investigations of models and active systematic analyses, conduct qualitative and quantitative analyses, and make decisions with democratic and scientific approaches. Since we have suffered a great deal in the past for judgments made on the basis of a few precedents and not on the basis of quantitative analysis, we should now make decisions on the basis of reason without regard to personal and emotional factors.

Soft science research has reached a fairly high level in foreign countries, especially the developed ones. It has also developed up to a certain degree in our country in recent years. Today, scientific means have already been employed in conducting feasibility studies of a number of major construction projects; quantitative analyses and tests have been used in choosing the best plans for certain major economic and social projects; and relatively thorough and scientific systems analyses and assessments have been conducted before certain major strategies, principles, and policies were set forth for some major construction projects. For example, the dozen or so major technical policies that have been examined and officially promulgated by the State Council are products of research cosponsored by the State Scientific and Technological Commission, the State Planning Commission, and the State Economic Commission. Other notable examples include the study of the prospects for China's development in the year 2000, the study of the new technological revolution and countermeasures the nation should take, the study of the strategy for rural development, the study of population and family planning policies, and the comprehensive assessment and study of the three-gorges project, as well as the study of the strategy for the development of certain regions and businesses. Soft science research has become an important new force in China's modernization.

The rise of soft science research in China is not an accidental phenomenon. It is an inevitable historical trend with conspicuous contemporary characteristics. It is a product of our party and government during the course of their summing up of their positive and negative experiences and adhering to the ideological line of seeking truth from facts in making decisions, a product urgently needed to keep up with economic and social development under the situation of opening to the outside world and carrying out reforms during the new period, and a product of rapid scientific and technological development today. This can be explained in the following respects:

First, after the 3d Plenary Session of the 11th CPC Central Committee, our party has rectified its "leftist" and subjective mistakes, which had affected its guiding thought for a long time, and returned to the correct course guided by Marxism and Leninism.

Since then, the need to seek truth from facts, to regard experience as the sole criterion of truth, and to rely on people's initiative and creativeness for socialist construction are emphasized throughout the party. And subjectivism, the theory that willpower alone counts, and arbitrary conduct have been replaced by investigation and study, democratic discussion, and collective leadership. The party has again regained its youthful spirit. After comparing its positive and negative experiences, and having realized the utmost importance of making decisions with a democratic and scientific approach, our party has set forth a series of important policies and measures, stressing the need to respect knowledge and proficient personnel, encourage the free airing of views, and uphold the double-hundred principle. This has aroused the political enthusiasm and initiative of the vast number of intellectuals and people in the country. A good political environment for conducting soft science research and making decisions with democratic and scientific approaches has thus been created in the country.

Second, by opening to the outside world and carrying out reforms, we have become more knowledgeable in the development of science, technology, and management of the world, and our vision has been broadened. We are also required to respond as quickly as possible to the development of highly complex situations at home and abroad, and deal with the constant appearance of all kinds of new situations and problems. China is a big, but economically and culturally backward, country. Its development is also extremely uneven. The tasks of modernization have never been as strenuous in the past. This has greatly exacerbated the complexities and difficulties in making decisions. Even the slightest carelessness or error may cause irreparable losses. To make correct decisions under such circumstances, a leader not only has to rely on his wisdom and experiences gained in years of practice as well as other leading members' collective wisdom and experiences, he must also rely on a large number of experts of all trades and professions, all kinds of decision research specialists, and associations that provide consultative services and information; and he must also employ new theories and methods and conduct collective research before he can come up with correct measures for dealing with the situation. These are social and economic conditions under which soft science research develops.

Third, social progress and modern scientific and technological development have resulted in a close relationship between natural and social sciences, making them overlap, thereby creating some crossover and marginal disciplines. This makes it possible to carry out large-scale comprehensive interdepartmental and multidisciplinary research, and to reflect the common needs of all branches of science. The theory and methodology of the science of decision-making has been greatly enhanced and enriched, and the research on decision-making is furnished with a solid rationale and technical means. Research in soft science thrives on this scientific and social foundation. Here I would like to stress that combining natural and social sciences in China still poses many problems. Coordination between the disciplines in social science is also insufficient. We should create favorable conditions, remove all obstacles, and promote integration of all disciplines so as to facilitate research in decision-making.

The three conditions mentioned above enable the growth of soft science in China. As China modernizes itself and further implements the policy of opening to the outside world and making reform, all departments and localities are faced with many new problems in practice. This calls for more policy decisions on scientific, technological, economic, and social issues, and the need for research in soft science becomes more urgent. China is bound to make great progress in soft science, and researchers in this area will have a greater role to play.

2. Discarding outdated decision-making methods is crucial to the reform of China's political system.

Despite the development of soft science in China, and although the achievements in this area have been applied to a certain extent, democratic and scientific policy-making still has not recieved sufficient attention in China. This is the result of our abstracted views on traditional values, and is an important aspect which reflects the existing problems in our political system.

Being the superstructure of socialism, the socialist political system should serve the socialist economic base. As China's economic reform develops in breadth and depth, reform of the political system becomes more urgent and its importance more apparent. A serious drawback in our political system is overconcentration of leading powers, and the system of decision-making is unsound. Therefore, in reforming the political system, it is extremely important to fully uphold socialist democracy and be truly democratic and scientific in making policy decisions.

Decision-making, which has existed for ages, falls into different categories. In ancient times, high-level important policy decisions of the state were made by the feudal emperors, who relied mainly on their own talents, experiences, personal likes and dislikes, as well as the suggestions of their officials. The destiny of the state and the people depended upon whether the good or the evil officials were more influential. The backwardness and limitations of this method of decision-making are known to all. In modern times, socialized mass production has brought about drastic changes in social, political, and economic spheres in some well-developed capitalist countries. The amount of knowledge and information has increased tremendously, and complicated and ever-changing problems that require policy decisions keep piling up. Individual outstanding leaders are incapable of handling these problems simply by relying on their own wisdom. Hence the existence of think-tanks and consulting agencies. Experts and men of ideas in different areas of knowledge and with different experiences are brought together. The ideas of a group of people make up for the inadequacies in personal talents, experience, and energy of the leader. This is not just adding up a few more brains. It implies establishment of a comprehensive entity of knowledge and information made up of different areas of knowledge which employ scientific theories, methods, and means, and which are mutually supplementary, inspiring and enriching. Of course the role of this entity is much greater. Having developed for a few centuries, capitalism has widely established a set of decision-making procedures and regulations, as well as a feedback system, so that unsound policy decisions may be constantly and promptly revised according to the feedback. This has facilitated the development of capitalism. Of course, under the system of private ownership, the decision-making process in capitalist society is inevitably affected by the conflict of interests. However, their procedures and methods may be borrowed for reference.

Socialist society is based on public ownership and large-scale socialized production. In a socialist society leaders at all levels are public servants of the masses, and the people are the masters of the country. Therefore, socialist society requires all the more genuine democratic and scientific policy decisions to realize the interests of the state and the people, and it is possible for socialist society to make such decisions. In this regard, we have already done a lot of work and made certain

Nonetheless, due to the influence of the several-thousand-year-old feudal society and small production economy, the backward state of our science, culture, and education, imperfect legislation, and problems with cadres regarding their quality and democratic work style, we have not yet established a rigorous system and procedure for making policy decisions, nor have we had a perfect support system, consultancy system, appraisal system, supervision system, and feedback system for that purpose. There is not test to determine whether or not a policy decision is scientific, and it is hard to conduct effective and timely supervision to avert erroneous policy decisions. Even at present, the practice of relying on the leaders' experience in making policy decisions is still common and prevalent. When problems on policy decisions arise, they cannot be corrected in a timely way; and the only way is to make redress or to set things straight when a policy decision is found to be seriously wrong, but by then it is already too late. Now is when we must change the state of affairs where policy decisions are made blindly and hastily. If this question is not resolved, our socialist system will remain imperfect and unsound, and our national economy will not be able to develop continuously and steadily. An extremely important aspect of the reform of our policy system is to resolve this question. By tackling this question of effecting democratic and scientific policy decisions, we will be able to improve and consolidate greatly China's socialist system; help the hundreds of millions of people strengthen their sense of responsibility as masters of their own destiny, whipping up their enthusiasm and creativeness; and give full play to the superiority of the socialist system.

In a modernized society, science and democracy are inseparable. Without democracy, genuine development of science would be out of the question. Without science, it would be impossible to establish real democracy. Similarly, the scientific approach and democratic attitude are inseparable in making policy decisions. The so-called scientific approach needs the democratic attitude as its primary prerequisite. Without the latter, it would be impossible to pool the wisdom of a large number of people, encourage them to voice their opinions, and respect knowledge, competent personnel, and the people's creative intelligence and practical experience. That is, there would be no scientific approach. On the other hand, the so-called democratic policy decision-making must be scientific; in other words, there must be scientific procedures and methods. Otherwise, it is only democratic in form but not in reality. All these are not merely a theoretical issue, but primarily an issue regarding practice that must be resolved urgently. To resolve this issue successfully is an unshirkable historical responsibility of the people of our generation.

The basic purpose of developing our soft science research is to promote the scientific approach and democratic attitude in making policy decisions, change the old backward and ignorant thinking and method for making policy decisions left over from the long period of feudal society, and replace them with new ones. In short, the aim is to reform the policy decision system and make a new breakthrough in people's outlook on values.

3. Promoting scientific and democratic policy decision-making is a major responsibility of the leadership.

The key to effecting democratic and scientific policy decisions lies in the leadership at all levels. It is necessary to intensify further the reeducation in, and enhance the understanding of, the need for democratic and scientific policy decision-making throughout the party and the nation, especially among the leading party and government cadres at all levels.

The responsibility of the leadership is to formulate strategies, work out plans, shape policies, manage, and give cadres their job assignments. To fulfill this responsibility, the leadership needs to make policy decisions. Therefore, making policy decisions is the leaders' most fundamental function. The leading cadres at all levels in our country in general are essentially good, with the basic qualifications and abilities to be leaders.

A careful analysis of them, however, reveals their different situations and various problems. Lack of awareness of the importance of democratic and scientific policy decisions and necessary abilities to make such decisions are problems common to many cadres.

Many of our veteran revolutionary cadres have been tempered in war situations. They are experienced in exercising leadership, and have great wisdom and talents. They have made important contributions to revolution and construction. However, due to the limitations of historical conditions, many of them lack knowledge of modern science and technology, as well as operations and management. I am one of them. Many of our new cadres who graduated with specialties in science and technology are fairly proficient in specific branches of science and technology and they know a lot about advanced developments in science and technology. However, many do not understand macroscopic decisions, and are inexperienced in organizational work, operation, and management. These two types of people live in an objective environment in China, which is economically and culturally backward. They have been directly or indirectly influenced to varying degrees by the small producers' mentality left over by the long period of feudal society. Many of them do not realize the strategic importance of using science and technology in decision-making. They do not fully understand the value and importance of democratic and scientific decision-making, let alone research in soft science. Generally speaking, they prefer the "hard," visible and tangible things, which they regard as completely real. They look down upon the "soft," invisible and intangible things, which they regard as unreal and dispensable. They do not realize that today, and especially in the years to come, human society is becoming one that stresses knowledge and information. "Software" is the pioneer of "hardware." It guides the development of "hardware." The tremendous value of research in soft science lies in the fact that, through the integration of knowledge and information, we can foresee and review all macroscopic and microscopic processes, so we can forecast changes and the development of things within a limited scope at a low cost. Those who do not understand and tap this potential will lag behind. Of course we cannot blame the cadres for this problem, which is the result of historical conditions in China. To solve this problem earnestly, leading departments of party and government organs at all levels should make plans and, step by step, take measures to raise the leading cadres' scientific and cultural level as well as their skills in making macroscopic decisions, and encourage them to study assiduously, overcome the small producers' narrow-minded mentality that may be found in them, and consciously foster the fine style of respecting science and democracy. Education in our party schools and related colleges and universities should not only offer courses in political theory, but also courses in modern science and technology, operations and management, and new theories in decisionmaking. In the future, the traditional approach of depending on the leader's personal experience and will should not be used in making decisions on major issues. Scientific methods should be adopted. Scientific procedures should be followed in making scientific verifications so as to reduce and avoid possible blunders. Of course this takes time. It cannot be achieved overnight. However, we should study hard, strive to speed things up, and master this science soon. Mistakes in policy decisions are the most serious of all. Carelessness in one move will turn the entire situation into disaster. The blunder in the decision to launch the Great Leap Forward resulted in billions of yuan of losses in material wealth, losses which could be calculated. Many other intangible losses, especially the mental losses of the people, were even more serious. The blunder in the decision to launch the "Great Cultural Revolution," which lasted for 10 years, brought calamity to the nation and the people and affected our posterity. This is why we still need to work hard to eliminate the far-reaching consequences of the blunders in these important policy decisions. Correct policy decisions have been adopted since the 3d Plenary Session of the 11th CPC Central Committee. For instance, taking class struggle as the key link has been replaced by developing social production, which is taken as the work emphasis of the whole party and the whole nation. We have entered a new period for accomplishing modernization. We have witnessed unprecedented prosperity in economic construction and work in all fields.

The ideological line of emancipating minds and seeking truth from facts has prevailed again, thereby enabling our party to restore and further develop fine traditions, and create a new and lively political situation. Besides, there are the policy decisions on reform and opening to the outside world, and on invigorating the domestic economy. We can say that this is the beginning of the regeneration of the Chinese nation. We should constantly ponder and forever remember this historical contrast.

Soft science research is in the service of policy makers and leaders at various levels. The leaders at all levels should highly value and respect this service. Even today, however, some of our leaders still do not know the value of knowledge and the importance of respecting knowledge and competent personnel. Many still fail to draw lessons seriously and on their own initiative from the fact that the wrong policy decisions in the past caused harmful effects on our nation and people. They seldom contact intellectuals and experienced comrades or even regard these people as strangers. What they are doing and thinking is not known to others, nor are they aware of what others are doing and thinking. If this state of affairs is not changed, democratic and scientific policy decision-making will be out of the question. It is imperative to promote the practice of leaders constantly exchanging ideas, communicating, and discussing questions on an equal and democratic basis with researchers and with those who have diversified knowledge and practical experience. Every leading department should have its own research group to rely upon in making policy decisions. The work of the research group includes giving full play to and relying upon the role of the policy research forces in society or under related departments that have real knowledge and can make sound judgments. In addition, every leader should have a few close friends who are bold and knowledgeable and especially honest friends daring to voice different opinions and give forthright advice unreservedly. Even in the feudal age, some able and open-minded emperors were able to respect wise intellectuals and form close relations with a few advice-giving officials and intimate friends. Shouldn't we communists do even better in this regard?

It is necessary not only to respect experts but also to learn from those with practical experience and from cadres at the grass-roots level. These two things accord with each other and should be combined. It is fine that some of our departments have now set up policy research offices. Unfortunately, many of them are policy research offices in name only. These offices are no more than secretarial work groups for drafting documents and reports. It is imperative to include some outstanding experts with real competence and usable knowledge and some cadres rich in practical experience in these offices and, through them, establish contacts with more competent people so as to pool the wisdom of all concerned and to give full play to their role as think tanks, advisors, researchers, and consultants.

Policy research, the job of probing into the unknown, is full of risks, and occasional mistakes are hard to avoid. Leaders must foresee this situation and make correct judgments and choices. In case problems arise from a policy, the leader concerned should be primarily held responsible, and in no way should the responsibility be thrown totally onto the policy research personnel. From an erroneous policy proposal, a wise leader can even receive education and draw a conclusion that has a positive effect. Sometimes, the results of a soft science research project, though they have not been adopted and give no immediate benefit, are nevertheless of enormous value as a warning, a preventive alarm, or a factor to be considered in dealing with certain questions.

4. The development of soft science requires a good political environment and necessary material conditions.

To develop scientific theories, first of all, it is necessary to create a political environment characterized by democracy, equality, and consultation. Leaders should respect the democratic right of others to fully air their views. They should not be afraid that others may say something different from their own opinions or even contradict them. In the past we talked about "blame not the speaker but be warned by his words." The slogan is correct but rather passive. To make it positive, we should say "he who speaks out renders a great service" and "he who listens will benefit." It is of particular importance that soft science research should be conducted in such a good political environment. The reason is that soft science requires creative and complex mental labor that involves both the academic and political fields. Only in an atmosphere with a high degree of academic freedom can we think creatively and independently, reach a conclusion by using reason, and offer penetrating judgment, and also only in an atmosphere with a high degree of political democracy can we speak out without fear, prevail over all dissenting views, and fervently present our own views. In conducting soft science research we should respect only objective facts and truth, should not have blind faith in authorities, and should not submit to the will of individual leaders. All conclusions should not be reached before research is undertaken, but should be drawn after research has been conducted and after they have been proven correct in practice. Very often some leaders like to consider the research departments subordinate to them as tools for helping them piece together "theoretical bases" for their policy decisions. These so-called "scientific" theoretical bases for policy decisions are deceptive and dangerous, and it would be better without them. Soft science research must be relatively independent of the influence of policymakers. It can only accept the test of experience and can be responsible only to the people and history, but cannot be conducted to satisfy the wishes of leaders. While leaders may disagree with the viewpoints of researchers, negate their conclusions, and reject their proposals, it is not permissible for them to force researchers to change their viewpoints against their will and to revise their conclusions for the purpose of satisfying their own needs. In order to make the policymaking process in our country democratic and scientific, we need to adopt some legislative measures to give legal protection to policy researchers and to institutionalize and rationalize our policymaking process gradually.

In order to create a political environment where there are democracy, equality, and consultations, we should firmly carry out the principle of "letting a hundred flowers blossom and a hundred schools of thought contend." Not only should it be applied to the fields of science, technology, literature, and art, but it should also be applied to policy research. Not only should this principle be applied to natural sciences, but it should also be applied to social sciences. This principle should be made an unchangeable strategic principle for political life, ideological and theoretical work, and cultural development in our country, because it is a major embodiment of a high degree of socialist democracy. More than 30 years have passed since the principle was advanced, but for a long time in the past it was not implemented in its true sense. Moreover, it was once regarded as the so-called struggle tactic for "leading the snakes out of the hole." It was very pathetic. One of the major reasons for the failure to implement this principle is that in the past political questions were often understood an antiparty, antisocialist, and counterrevolutionary activities. This concept has brought many side effects. If this concept is not changed, the notion that the principle can only be applied to academic questions, not political ones, will again emerge. But we often find that the two types of questions are inseparable. Once a problem emerges, even if it is an academic one, it will eventually become a political problem, and then somebody has to take a beating. In fact, in many cases it is very difficult to separate academic and political questions. Comrade Wu Han caused his own destruction by writing the article "Hai Rui Was Dismissed From Office."

Is it, after all, an academic or political question? In policy research and policy decision research it is more difficult to separate academic studies from politics. Sometimes it is 30 percent academic studies and 70 percent politics, and sometimes it is 70 percent academic studies and 30 percent politics. In short, the two are difficult to separate. Therefore, the question lies not in separating academic questions from political ones; it lies in applying the double-hundred principle to both political questions and policy research itself. All political and policy questions should be studied, and they may be discussed and debated before decisions are made. We should not follow the past practice of elevating different opinions and views to the level of principle and of "surrounding and criticizing" the holders of those opinions and views. Since we are talking about policy decisions, we are required to make decisions under certain conditions. This should not be regarded as discussion of academic, ideological, and literary and art works related to physical and social sciences. In those areas, no decisions need to be made by leading departments. Any policy should go through these three processes, namely research, decision, and implementation. After the leading department has decided on a policy, it should then be implemented according to the decision. Should the researchers still have different opinions within a certain scope, they should be allowed to present and discuss their different opinions through proper channels, and the decision should be reexamined according to how it has been actually implemented. As far as our Constitution and other laws are concerned, they should, of course, be obeyed and implemented unquestioningly. Party members must also abide by party resolutions. Generally speaking, all the political principles prescribed in the Constitution, laws, and party resolutions have been proven correct by actual experiences over a long period of time. Nevertheless, should there be different opinions regarding some regulations in our Constitution, laws, and party resolutions within a certain scope, they should be presented for discussion through proper channels. Experiences show that such serious, practical research and discussions have served as an important base on which our Constitution, laws, and party resolutions can continue to be perfected, enriched, and developed. Besides serving the people wholeheartedly, our party does not have any other objective. Under our party's leadership, and after waging a protracted and arduous struggle, the Chinese people have overthrown imperialism, feudalism, and bureaucratic-capitalism, and eliminted class oppression and exploitation, and become emancipated and free people who are the masters of their new, democratic society. Then, how can there be a "high degree of democracy" if only the leaders, not the people, can express their different views on political matters? I think we should encourage the free airing of views and do away with speech bans so that the people can truly enjoy the freedom of speech prescribed in the Constitution. So long as we have correct leadership, an enlightened government, a harmonious society, and a prosperous economy, our large socialist country with 1 billion people will not collapse just because some people have said somthing unpleasant to hear, or because some people have tried to agitate others in order to achieve their ulterior motives on some issues. Chairman Mao once told the story about Xiang Yu the Conqueror [232-202 B.C.] bidding farewell to his most beloved concubine. He said: The sky will not fall if you let people speak; but if you do not, sooner or later you will have to give up what you cherish. These words have profound meaning. But they are easier to say than to follow. It was specifically on this issue that Chairman Mao made mistakes.

While we underscore the need to enforce the double-hundred principle and encourage free discussion, by no means do we mean that we can renounce the guidance of Marxist ideology. Basic Marxist theories are objective, universal truths. Soft science research should accept the guidance of Marxist thinking and methodology. This is beyond doubt. Actual experiences prove that the more knowledgeable one is in Marxist theories, the greater chance he will be able to do a better job in guiding research, or achieve better results in research.

Nevertheless, we should never rigidly apply general Marxist formulas on soft science research. Marxism is not a dogma or a bible, it is a guide for action, and it must also be constantly developed and enriched. By no means should we regard the many new theories and achievements accomplished by the people of this age as "sugarcoated bullets," or heresay, and reject them in the name of safeguarding the "purity" of Marxism. We should instead constantly enrich Marxist theories with things that have been examined and proven by actual experiences as genuinely scientific. Since soft science is a mixture of many branches of learning, some of its theories and methods certainly will supersede certain ready-made formulas found in Marxist classics. Thus, soft science research, which is based on highly developed economic and social prerequisites, as well as modern science and technology, should and certainly can further develop and enrich Marxist theories and methods, and push Marxism forward.

The development of soft science research requires appropriate material support. Since there is no regular budget for soft science research, it is still at the mercy of various quarters. In fact, soft science researchers resemble light cavalry who can produce highly effective results with limited resources. Instead of large laboratories and expensive equipment, they need only a small amount of money for reference materials, expedient expenses, fact-finding, and research. An appropriate and steady annual budget will satisfy their current needs. If the leading authorities of various departments and regions are really aware of the value and importance of soft science research, they will realize that the little amount of money they spend will bring them enormous returns. There are also the issues of reference materials and information. While our statistical departments have done a much better job in recent years, we must also realize that, because of various limitations, our statistical operation as a whole is still very poor. We still do not have systematic research or scientific statistical data or analysis of much social and economic information. The existing statistical materials, albeit highly incomplete, are more often than not controlled by some departments or local authorities, and thus they are not fully utilized. Leaders at all levels should attach great importance to this problem and take active measures to solve it. We must understand that there cannot possibly be any research if statistical information is not available. Had it not been for the large amounts of statistical information available at the British Museum, Marx could not possible have written "Das Kapital" in those years when he was in Britain. The pressing tasks confronting us today are: To continue to set up and improve the various systems governing the handling of scientific-technological, economic and social statistics; establish various types of information and statistical services; improve our cipher and decipher systems; and do everything we can to provide all types of information and statistics, including any available information about other countries of the world, to whomever needs them, making such information the assets of the people throughout the country.

5. Promoting Soft Science Research to a New Level

Chinese soft Science researchers are confronted with an arduous task. They must set even higher demands for themselves, making sure that they work as courageous trail blazers in the modernization drive. Soft science researchers must adhere to a correct course, uphold the principle of integrating theory with practice, actively and consciously serve the nation's open policy and reforms, and support various major decisions on modernization.

Our country's modernization drive is forging ahead in all spheres, and our various reforms and exploratory projects are just unfolding. To build our country into a socialist society with distinctive Chinese characteristics, we are compelled to take a new course that has never been explored by our predecessors.

Confronting us are numerous major issues, such as how the state's political system should be restructured? What sort of measures should be adopted in opening to the outside world? How should the construction of democracy, discipline and law enforcement, and moral systems be carried out simultaneously with reforms? How should our industries be restructured? How can we achieve higher economic returns? What types of different strategies should be worked out for the development of different departments or regions, and what kinds of technical policies should be drawn up for various trades and professions? How should a pricing policy be drawn up? How should the labor system be improved? How should the population be controlled? How should the environment be protected? How should the mountainous areas be developed? How should construction projects be assessed? How should people's enthusiasm be aroused? How should personnel be trained and promoted? How should the changes in the social situation be handled? And how should we improve social, cultural, and moral standards? All these issues in real life require decisions, and thus they are pressing tasks for soft science research. Our soft science research must proceed from reality and begin with solving all types of practical issues. We hope that, after working hard for several years, we will be able to make soft science research more authoritative and gradually become a popular, socialized industry in the country; and that by that time, our decisionmaking capability will be significantly improved in the country.

In the study of soft science, we must also probe its theoretical basis and explore its methodology. This is something that we must not ignore. In addition, we must follow the trend of the times and continue to enrich and deepen our knowledge and create new theories and methods in the course of further exploring. However, the overwhelming majority of research institutions and personnel must concentrate their efforts on studying how to apply such science and make use of the limited manpower and material resources to tackle the most pressing issues in socialist construction.

In order to fulfill the heavy historic task assigned to us by the times, workers in the field of soft science must earnestly improve their own political and professional qualities. Soft science researchers must demonstrate a high sense of responsibility in the political field and a spirit of dedication to the revolutionary cause. In addition, they must acquire knowledge and accumulate experience in many fields. People who work in the field of physical sciences must study theories in social sciences, while those who work in the field of social sciences must broaden their knowledge in physical sciences. All of us most focus on experience and orient ourselves to serve the modernization program, the whole country and the world. Only by doing so, will it be possible for us to keep abreast of the times. In addition, soft science researchers also have marked abilities in observation and concentration including abilities to conduct analysis, summarize views, draw conclusions from objective facts and write. This kind of "all-round person" and "scholars who combine the various schools of thought" are often harder to train than people who are specialized in only one field. They have grown in the course of studying and focusing on experience over a protracted period. They are not people that are ready to assemble at first call or fill vacancies to make up a certain number. Therefore, in organizing researchers we must have strategic foresight. Various departments in charge of recruiting researchers must foster an overall concept and select candidates from a group of competent postgraduate students whose majors are in physical sciences or social sciences and who are recent graduates and to train them into a group of researchers capable of making overall decisions so that they will steadily grow on this basis into a mighty contingent of researchers.

The study of soft science is a comprehensive research system. All researchers must proceed from the overall interests of the state, carefully look ahead and behind, and make overall arrangements.

It cannot be denied that right now, various departments and regions are separated from each other administratively in China. Most research institutions belong directly to a department or region. Their views are invariably influenced, either consciously or unconsciously, by the interests of a particular department or region to which they belong. I am not saying that a department or region should not attach importance or pay attention to the gains or losses of their own department or region. After all, this is one of their responsibilities. However, the interests of the part must be subordinated to the interests of the whole, not vice versa. Workers in the field of soft science should raise their level of rationalization, consciously resist the forces of habit, and foster an honest, upright and rigorous style of study. They should take the overall interests of the state into consideration and refrain from getting involved in disputes and conflicts of interest that may possibly surface between one department and another. They must hold themselves responsible to the people and to history, take stock in the interests of the state, speak up impartially and act with a scientific spirit. Only by doing so are they worthy of the name qualified scientists.

This symposium was sponsored by the State Science and Technological Commission. Experts in all fields gathered together to exchange information and experiences, and jointly suggested ways and means for the development of soft science in China. This is really something that deserves congratulations. This symposium is greatly significant, because it will raise our awareness in effecting democratic and scientific policy decisions, and offer valuable suggestions to reform the concept, method and system in making policy decisions. I believe it will arouse the full attention of the whole part and all the people in the country. I hope, with the convocation of this symposium, we will be able to do a still better job in organizing the forces in all fields, coordinating with one another and forming a network, push the study of soft science to a new stage, and make still greater contributions to implement democratic and scientific policy decisions at all levels for the party and the state.

WAN LI VISITS KAZAK HERDSMEN IN XINJIANG

HK160227 Urumqi Xinjiang Regional Service in Mandarin 1200 GMT 15 Aug 86

[Excerpts] Wan Li, member of the Political Bureau of the CPC Central Committee and Vice Premier of the State Council, this morning went to (Baiyanggou) village in Urumqi County to see the Kazak herdsmen there and extend festal greetings. [passage omitted] He was accompanied by Jaing Hua, Yang Jingren, Wang Enmao, Ismail Amat, Li Menghua, Song Hanliang, Tomur Dawamat, and others. The Hazak herdsmen by the roadside gave them a warm welcome. [passage omitted]

WAN LI RECEIVES ANTI-EARTHQUAKE PARTICIPANTS

SK180342 Shijiazhuang Hebei Provincial Service in Mandarin 2200 GMT 1 Aug 86

[Text] The meeting to exchange experiences in combating earthquakes and preventing disasters, which marks the 10th anniversary of the Tangshan earthquake, and the Eighth National Anti-Earthquake Work Conference ended in Tangshan on the morning of 1 August after a 5-day session. Zhou Ganzhi, vice minister of urban construction and environmental protection, delivered a speech.

Since 1977, our country has made breakthroughs in combating earthquakes and preventing disasters, and has greatly enhanced the anti-earthquake abilities of the urban and rural areas. During the Seventh 5-Year Plan, we should give prominence to completing the plan reforms and the management systems related to anti-earthquake work, to instituting and improving the rules and regulations concerning anti-earthquake work, to solving key scientific and technological problems in anti-earthquake work, to accelerating the reinforcement of anti-earthquake facilities, and to the other tasks.

During the session, Wan Li, vice premier of the State Council: Ye Rutang, minister of urban construction and environmental protection; and Xie Feng, provincial governor, cordially received all participants to the meeting and the conference.

CENTRAL LEADERSHIP MOVES TO BEIDAIHE IN SUMMER

HK160616 Hong Kong WEN WEI PO in Chinese 15 Aug 86 p 1

[Report: "CPC Central Committee, State Council To Handle Official Business in Beidaihe in Summer"]

[Text] According to reports from Beijing, in the last 3 years, the CPC Central Committee and the State Council have been shifted to Beidaihe, a coastal resort east of Beijing, to handle official business in summer.

Premier Zhao Ziyang revealed this when he met with South African Bishop Desmond Tutu and his wife in Beidaihe yesterday afternoon. Zhao Ziyang said he was very glad to see Bishop Tutu in Beidaihe.

Tutu went to Beidaihe from Beijing yesterday afternoon by a special plane.

GU MU AT OPENING OF TIANJIN HYATT HOTEL

OW161358 Beijing XINHUA in English 1202 GMT 16 Aug 86

[Text] Tianjin, August 16 (XINHUA) -- The Hyatt Tianjin opened today, offering this port city's first luxury accommodations. Located in downtown Tianjin, the 20-story, 35 million U.S. dollar hotel is a joint venture between the Tianjin No 1 hotel, a joint venture between Tianjin and Lethia Limited of Hong Kong, and the U.S. Hyatt International Corporation. An affiliate of the Hyatt chain of the United States, the hotel was built in 22 months and has 700 beds. Rooms cost between 70 and 500 U.S. dollars a night. Seven of its dining rooms serve Chinese food from different regions, while other dining rooms specialize in Japanese and Western food. The hotel also offers international telephone connections with 20 countries and regions. The hotel manager, a citizen of the United States, is a former employee at the Hyatt International Corporation. Before the opening ceremony, Chinese State Councillor Gu Mu, one of the guests, met Bernd Chorengel, president of the Hyatt International Corporation.

"We have opened a number of big hotels in Beijing, Shanghai and Guangzhou, which are run by Chinese and foreign firms," Gu said. "I hope this hotel will compete with them and become top-grade in both management and service."

Gu said that China has set up more than 6,800 joint ventures and cooperative enterprises with foreign firms over the past few years and about half of them have been put into operation.

Generally speaking, he said, the completed joint ventures showed good economic performance although there have been problems during the period of construction and operation. He told Chorengel that the State Council has decided to set up a special committee to resolve these problems. Chorengel said that he is confident with the cooperation between his corporation and Tianjin. Mutual understanding between China and other countries is important in running joint ventures, he said.

RECEPTION HELD IN BEIJING ON MUSLIM FESTIVAL

OW161722 Beijing XINHUA in English 1414 GMT 16 Aug 86

[Text] Beijing, August 16 (XINHUA) -- Chinese Muslims hope to strengthen their ties and cooperation with Muslims all over the world and make common efforts to safeguard world peace and the happiness of mankind.

This remark was made by Ilias Shen Xiaxi, vice-president of the China Islamic Association, at a reception held this evening to celebrate Corban, one of the two most important festivals for Muslims.

Shen said that the Chinese Muslims strongly condemn Israel's expansionism, firmly support the just struggle of the Arab and Palestinian people to regain their lost rights and territories, and firmly support the United Nations' efforts to convene an international conference for the solution of the Middle East issue with all parties concerned including the Palestine Liberation Organization.

He went on to say that the Chinese Muslims firmly support the just struggle of their Afghan brothers to maintain their national independence and fight against foreign invasion.

"We believe that through solid unity and unremitting struggle and international sympathy, the sublime destiny of the Arab, Palestinian and Afghan peoples and all Muslims will be realized," he said.

Kamal al-Hamud, Jordanian ambassador and representative of the diplomats from 34 Muslim countries attending the party also made a speech.

Vice-chairman of the national committee of the Chinese People's Political Consultative Conference Zhou Peiyuan, Zhao Puchu, Miao Yuntai and Lei Jieqiong, and more than 200 Chinese Muslims were present at today's reception.

Meanwhile, several thousand Muslims in Beijing attended religious services this morning at the 46 mosques in the city.

Dressed in their holiday best, they listened to readings from the oran, exchanged holiday greetings and took part in the "animal-slaughtering" ceremony.

ANTIFLOOD WORK IN HEILONGJIANG PROVINCE

SK180430 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 17 Aug 86

[Excerpts] Entrusted by leading comrades of the State Council, Yang Zhenhuai, secretary general of the Central Flood Prevention Headquarters and vice minister of water resources and electric power, made a special trip to our province to guide the flood preventing fight and arrived in Harbin on the morning of 17 August.

He relayed the cordial regards sent to the Army and the people in Harbin and in Heilongjiang Province who are busily engaged in flood prevention and the fight by the leading comrades of the State Council.

On 17 August, Vice Minister Yang Zhenhuai inspected the Songhua Jiang grand dike in Harbin, accompanied by Want Lianzheng, vice governor, and Gong Benyan, mayor of Harbin City. [passage omitted]

Vice Minister Yang Zhenhuai heard a briefing on the flood prevention work carried out by the (Quantang) street neighborhood in Daowai District given by (Cai Anlin), secretary of the Daowai District party committee. He extended regards to the Army and the people participating in the flood prevention fight. [passage omitted]

FANG YI, YANG SHANGKUN INSPECT ALUMINUM PLANT

OW171221 Beijing Domestic Service in Mandarin 0600 GMT 15 Aug 86

[Text] Fang Yi, member of the Political Bureau of the CPC Central Committee and state councillor, and Yang Shangkun, member of the Political Bureau and permanent vice chairman of the Military Commission of the CPC Central Committee, inspected the Bohai Aluminum Corporation on separate occasions recently.

Comrade Fang Yi praised the work in launching the Bohai Aluminum Corporation project, completing its design and construction, and putting it into operation, which was all done within 1 year. He stressed: Our four modernizations program requires a large number of people with a pioneering spirit. They are not flawless, however. People with a pioneering spirit should have courage and be farsighted, pay attention to work methods, and learn how to unite with others and make concerted efforts to carry out reforms.

Comrade Yang Shangkun praised the Bohai Aluminum Corporation project for its comparately small investment and quick results. In particular, he affirmed the project's significance in conserving foreign exchange and reducing imports after it is put into operation.

WANG ZHEN, LI GUIXIAN ADDRESS ANHUI CEREMONY

OW170939 Hefei Anhui Provincial Service in Mandarin 1000 GMT 16 Aug 86

[Excerpts] A bronze statue and a monument for Wang Jiaxiang, an outstanding CPC leader and great Marxist, have been completed in Wuhu city, where he carried out revolutionary activities as a student. A ceremony to unveil the statue was held on 15 August on the 80th anniversary of his birth.

Attending the ceremony were Wang Zhen, vice chairman of the Central Advisory Commission; Li Guixian, secretary of the provincial party committee; Du Ping, member of the Central Advisory Commission; Zhu Liang, director of the International Liaison Department of the CPC Central Committee; Wang Yuzhao, provincial governor; Wang Guangyu, chairman of the provincial People's Congress Standing Committee; Hou Yong, vice chairman of the provincial Advisory Commission; (Ren Yiming), former deputy director of the Central Propaganda Department: Zhu Nong, vice chairman of the provincial CPPCC Committee; (Wang Youming), deputy director of the Political Department of the Nanjing Military Region; (Zhang Jinghao), deputy commander of the provincial Military District; Zhu Zhongli, wife of Wang Jiaxiang; as well as party, government, and military leaders of Wuhu City. [passage omitted]

Comrade Wang Zhen spoke at the ceremony. He said: Entrusted by the party Central Committee, I have made a special trip to Wuhu to take part in the unveiling ceremony for Comrade Wang Jiaxiang's statue and to convey my fond memory of him. An outstanding CPC leader and a great Marxist, Comrade Wang Jiaxiang played an important role at the famous Zunyi conference in correcting the erroneous leadership of the left and in establishing Comrade Mao Zedong's leading position in the whole party and the whole Army. [passage omitted]

Li Guixian, secretary of the provincial party committee, also spoke. He said: Anhui was the hometown of Comrade Wang Jiaxiang. Thus, CPC and CYL members, cadres, and the masses throughout the province should all the more regard Wang Jiaxiang's revolutionary spirit and fine traditions as a valuable spiritual asset they should inherit. They should persistently implement the policy of making reforms, opening to the outside world, and stimulating the economy, and work harder to revitalize the Chinese nation, build up Anhui, and promote the two civilizations. [passage omitted]

JINAN MILITARY LEADERS CALL FOR SERVING SOCIETY

SK190718 Jinan DAZHONG RIBAO in Chinese 4 Aug 86 p 2

[Text] Recently the Jinan Military Region held a meeting of directors of logistics departments to especially discuss the issue of making the production and management of the Armed Forces cater to society and persistently serve the country and the people.

The logistics departments at all levels under the Jinan Military Region have consciously submitted themselves to the overall situation of economic construction and have persistently worked in serving the country and the people. While ensuring production and supply for the Armed Forces, these departments have tapped potentials for production. As of the end of June, the Jinan Military Region had established more than 10,000 permanent centers and facilities in serving the people the people and scored better social benefits.

At the meeting, 14 units introduced their experiences in making their production and management cater to and serve society. Attending the meeting were Li Jiulong, commander of the Jinan Military Region; Chi Haotian, political commissar of the Jinan Military Region; Gu Hui, deputy commander of the Military Region; Guo Fuzhou [6753 6534 0719], chief of staff of the headquarters; Xu Sheng, director of the Logistics Department; and Xu Chunyang, secretary of the Discipline Inspection Commission of the Military Region.

SHANDONG GOVERNOR ON BUILDING KEY PROJECTS

SK180946 Jinan Shandong Provincial Service in Mandarin 2200 GMT 17 Aug 86

[Text] When speaking at the provincial meeting on implementing plans for the construction of key projects during the Seventh 5-Year Plan, Governor Li Changan pointed out: In building key projects, we must take into account the demands of economic structural reform. The construction of key projects must be closely integrated with local interests so that we can turn the initiative of one trade into that of many trades at different levels.

Comrade Li Changan said: During the Seventh 5-Year Plan, we plan to build the key construction projects in two groups, with the first group being built in the first 3 years and the second group in the latter 2 years. During the first 3 years of the Seventh 5-Year Plan, we will concentrate our efforts on ensuring the completion and commission of projects left over from the Sixth 5-Year Plan, projects which have already been started, and the subsidiary items of the 300,000-ton ethylene project. In particular, we should concentrate on building the Weifang soda plant, the Jinan polyester fiber plant, and the Zibo acrylic fiber plant, and should strive to start the construction on schedule of those projects whose preparatory work has already been completed and whose conditions for beginning construction are ripe. The remaining projects will be built in the latter 2 years of the Seventh 5-Year Plan.

Governor Li Changan stressed: We should attend to building the key construction projects with a reformative spirit during the Seventh 5-Year Plan. In building these projects, we must attend to the following three issues. First, we should unite duties with rights and interests in order to fully stimulate the initiative of various fields. The sluggish development of some key construction projects in the preceding stage mainly resulted from the fact that the provicial authorities took on too many things and thus failed to mobilize the enthusiasm and initiative of various cities and prefectures. This situation is harmful to the construction of key projects. To stimulate the initiative of various fields, the province has decided that the funds the provicial authorities promised to allocate to enterprises should all be allocated. The tasks of making preparations, raising funds, and organizing construction work for key projects will be assigned to the prefectures and cities where the construction projects are located. These prefectures and cities should solve their problems in construction independently. Upon completion, these projects, except for those products subject to state unified distribution and allocation, should be arranged and sold by the cities and prefectures where these projects are located. In this way, we can truly combine duties with rights and interests.

Second, we should vigorously develop lateral cooperation and ensure the construction of the province's key projects with the efforts of the whole province.

The central cities with relatively heavy construction tasks should actively conduct lateral economic integration in the form of jointly building projects by dividing shares, transferring production of some general items and old products to town and township enterprises, or cooperating with fraternal cities and prefectures to build these projects. The central cities should concentrate their efforts on ensuring the construction of key projects and should undertake those processing items with higher levels.

Third, the provincial-level departments in charge of the affairs of various trades should more actively attend to coordination and service work. After transferring the key construction projects for the Seventh 5-Year Plan to various cities and prefectures, the duties of the provincial-level departments in charge of the affairs of various trades in terms of bulding key construction projects and managing professional work will become heavier, rather than being reduced. In line with the demands of giving consideration to the overall situation, organising coordination voluntarily, each department assuming responsibilities for its own affairs, and serving the grass-roots units, various departments should extricate themselves from the viewpoint of only giving consideration to the partial interests of one's own department and should foster the viewpoint of giving consideration to the overall interests of all departments. Proceeding from the overall situation of the construction plans for key projects during the Seventh 5-Year Plan, all provincial-level departments concerned should actively and voluntarily develop their work and cooperate with the cities and prefectures where the key construction projects are located to commonly ensure the smooth implementation of the plans.

Comrade Li Changan also called on various localities to further strengthen control over the scale of investment in fixed asserts, and to reduct extra-budgetary projects. He said: If we exercise control only over the budgetary projects but not the extra-budgetary ones, we will be unable to control the scale of investment, to successfully readjust the investment structure, and to ensure the construction of key projects.

ZHEJIANG'S WANG FANG ON IDEOLOGICAL EDUCATION

OW141248 Hangzhou ZHEJIANG RIBAO in Chinese 6 Aug p 1

[Dispatch by Li Xuegui]

[Excerpt] Wang Fang, secretary of the Zhejiang Provincial CPC Committee, on the morning of 5 August met with Comrades Li Yanjie, Qu Xiao, and Liu Ji [no further identification], who were attending a youth ideological education symposium in Hangzhou. Wang Fang disussed with them ideological education for youth in the course of opening to the outside world and carrying out reform. Luo Dong, member of the Standing Committee and director of the Propaganda Department of the provincial party committee, was present at the meeting.

Wang Fang expressed his warm welcome to the visit by the three comrades to Zhejiang. He said: With the further development of reform and the commodity economy, many new questions in ideological education need exploration. Ideological education should promote economic development and reform. Many outmoded concepts should be removed. If we continue to use outmoded concepts to judge things, many things will not look right to us. Out moded concepts are detrimental to economic development and to building the two civilizations. [passage omitted]

GUANGDONG LEADERS ATTEND AFFORESTATION MEETING

HK150736 Guangzhou Guangdong Provincial Service in Mandarin 0300 GMT 13 Aug 86

[Text] Between 11 and 16 August, the provincial meeting of county CPC Committee secretaries was held in Dongguan City. Provincial CPC Committee Secretary Lin Ruo and Governor Ye Xuanping presided over the meeting. The meeting was also presented by directors of county forestry bureaus.

The major contents of the meeting was first, to further heighten the understanding of the leadership at various levels on the importance of afforestation, and second, to greatly develop forestry for exploiting resources so as to promote the development of rural economy.

Recently, some people reached a conclusion that people's initiative, which was promoted by the agricultural system of contracted responsibilities with payment linked to output, has now almost come to a halt. Agriculture had to be further developed, and only when we invested more funds could this be achieved.

Judging from the province's typical cases of agricultural development, however, there is still plenty of room for further agricultural development. It is precisely the aim of the meeting that we should heighten the understanding of county CPC Committee secretaries on the importance of greatly developing agriculture for exploiting resources.

On the first 2 days of the meeting, the participating comrades visited with full zest sites of afforestation and developing agriculture for exploiting resources at (Dalang), (Changping), and (Huangjiang) in Dongguan City.

PEOPLE'S BANK OF CHINA APPROVES SHEKOU BANK

HK190135 Hong Kong HONGKONG STANDARD in English 19 Aug 86 Business Standard p 1

[By Eva Tox]

[Text] China Merchants Steam Navigation (CMSN) has secured the consent of the People's Bank (PBOC) -- the country's central bank -- to set up a commercial bank in Shekou, Shenzhen Special Economic Zone.

A formal announcement of the decision is expected today.

CMSN is believed to be the first bank in China owned by an enterprise, rather than being under the direct leadership of the country's central bank.

Such a move seems to be very much in line with the country's general policy of supporting such initiatives of enterprises instead of the previously rigid dependency on central leadership.

Once the trend is set, more such endeavours may be forthcoming.

Another high-powered Chinese enterprise, China International Trust and Investment Corporation (CITIC), has also applied for a bank licence in China and is still awaiting approval from PBOC.

Both CITIC and CMSN recently broke ground in the banking field with rescue bids for two ailing publicly-listed banks in Hong Kong.

CITIC secured 92 percent of Ka Wah Bank, while CMSN already holds 61.3 percent in Union Bank and is extending an offer to raise that level.

Recent developments appear to indicate that such enterprises want to set up their own banking arms -- both within and outside China -- as a means to make their own operations more integrated and self-contained.

A CMSN spokesman told Business Standard yesterday that the name of the Shekou bank is yet to be finalised, although it will carry very clear identification as a "China merchant" bank.

CMSN looks determined in its commitment to push Shekou toward success, despite the fact the zone has suffered from an investment slowdown this year -- apparently resulting from the squeeze of development funds from Beijing.

GUANGXI ISSUES CIRCULAR ON RATIONAL LAND USE

HK180724 Nanning Guangxi Regional Service in Mandarin 1000 GMT 16 Aug 86

[Text] The regional people's government recently issued a circular on severely punishing those who occupy urban or rural land or who build houses without authorization. The circular pointed out: Over the years, the region's situation of occupying urban and rural land, as well as building houses without authorization has been very serious. Not only has this resulted in adverse effects for our production but it has also corrupted the mind of some cadres and people. This year, various localities conducted comprehensive work in investigating and dealing with these cases. Judging from the cases investigated, the situation is quite complicated. When handling this issue, we must follow the principle of seriously dealing with the cases while making judgements based on each individual case. While guarding the sanctity of the law, we must focus on educating people as well as stability and unity.

In the course of handling the cases, we should deeply impress the people with the national policy of cherishing and rationally using every inch of land, thereby promoting the building of the two civilizations.

The circular states clearly the deadline for eliminating acts of occupying land for nonagricultural use, as well as guidelines for handling organs and units which violate regulations on acquiring land for construction and individuals and units which engage in land sales and rent charges. Guidelines are included on the way to handle the building concerned. It also states the guidelines for dealing with those who practice fraud under the name of organs or units and distribute the illegally occupied land to individukals for building houses, and those who occupy the state's and collective's land by force for building their houses. There is also a guideline for handling cases in which cadres and workers violate the laws and regulations on building their houses. The circular also states guidelines for retired cadres' building of houses, peasants' building of houses in towns, handling township buildings which are illegally built, handling highway buildings which are illegally built, handling peasants' houses built on contracted farmland and their farmland, handling acts of embezzling land compensation funds, and methods of punishment.

The circular stresses that various localities must strengthen their leadership and seriously do well in ideological work. The departments concerned, particularly the judicial and public security organs, must make coordinated efforts to ensure the smooth progress of the work.

YANG XIZONG AT HENAN LECTURE ON LEGAL KNOWLEDGE

HK151246 Zhengzhou Henan Provincial Service in Mandarin 1300 GMT 14 Aug 86

[Text] A lecture series on legal knowledge for leading cadres at the provincial level of our province opened in the north conference room of the Henan People's Hall yesterday. Liu Zhengwei, deputy secretary of the provincial CPC Committee, presided over the first lecture. (Sun Guohua), professor of the Department of Law of the China People's University, gave a lecture on the nature and functions of law to some 50 leading comrades of 6 large units, comprising the provincial CPC Committee, the provincial Advisory Commission, the provincial People's Congress, the provincial government, the provincial CPPCC Committee, and the Henan Military District. The lecture series to popularize law among leading cadres at the provincial level of our province includes seven lectures, one each month. The method adopted is that guidance is given in a concentrated way, theory is linked with practice, self-study and discussion is carried out, and finally an examination is conducted. During the period of the course, leading cadres at the provincial level must complete study of the fundamental theory of law, constitutional law, criminal law, relevant economic laws and regulations, the general principles of civil law, relevant laws and regulations on foreign affairs, and relevant laws and regulations on the organizations of the state.

At the conclusion of the lecture, Yang Xizong, secretary of the provincial CPC Committee, spoke. On behalf of all comrades attending the lecture, he extended heartfelt thanks to Professor (Sun). He said: The comrades attending the course shoulder fairly important duties. Our taking the lead in studying and knowing law and acting in accordance with the law will play an important part in further carrying forward socialist democracy and putting the socialist legal system on a sound basis and will further bring along leaders at all levels, cadres, and the masses throughout the province to study and apply law and to act according to the law. At the same time, if the leading cadres present study and know law and obey the law, they will do their work still better and promote the building of socialist material and spiritual civilization in our province. Comrade Yang Xizong hoped that in the light of reality, they all would unremittingly and seriously study and really learn how to act according to the law.

HUNAN LEADER AT PUBLIC SECURITY UNIT CONTEST

HK160601 Changsha Hunan Provincial Service in Mandarin 2200 GMT 15 Aug 86

[Text] The provincial public security mobile patrol and detection units held their first contest of skills at the Changsha armed police command school on 15 August. Mao Zhiyong, secretary of the provincial party committee, watched the contest and met all the contestants and work personnel. He urged them to make more contributions to bringing about a fundamental turn for the better in public order in the province. The public security mobile patrol and detection units in Hunan have been recently established in accordance with public security work requirements. They are a special force for dealing with serious violent crimes. As a result of strict training in the past 2 years, the professional qualities of this force have been greatly enhanced.

SICHUAN LEADERS ON POLITICAL STRUCTURAL REFORM

HK180431 Chengdu SICHUAN RIBAO in Chinese 2 Aug 86 pp 1, 4

[Report: "Reform of the Political Structure Is Imperative -- Some Guanghan County Cadres Discuss Importance and Necessity of Political Structural Reform in Connection with the Practice of Reform in the Past Few Years"]

[Text] The SICHUAN RIBAO editorial board recently invited some responsible persons concerned of the Guanghan County CPC Committee and government and managers and directors of a number of state-owned and collective enterprises to a forum to discuss the question of political structural reform.

Guanghan was Sichuan's first pilot project country in comprehensive structural reform in the rural areas. In the course of 8 years' practice of reform, they have carried out various reforms including streamlining the organs, separating party and government functions, instituting the plant manager responsibility systems, restoring the townships in the rural areas, and so on. By this means they have improved and perfected some production relations that were unsuited to the development of the productive forces. Citing their practice in reform, the comrades attending the forum aired their views on the importance and necessity of political structural reform.

Hu Shuncai, deputy director of the county Planning and Economic Commission, said that in order to press forward with the county's economic structural reforms, in 1984 we amalgamated five functional organs of county government -- the Planning Commission, Economic Commission, Agricultural Office, Finance Office, and Industry and Communications Department -- and set up a county Planning and Economic Commission. As the economy developed, in order to strengthen management over various trades and sectors, we later established under this commission an agricultural committee and six large companies covering construction, construction materials, foodstuff development, rapeseed development, the light and chemical industries, and the machine-building, metallurgical, and electronics industries. This helped to bring into full play the role of the government's functional departments in planning, coordinating, serving and supervising economic work in the whole country. In addition the number of cadres was reduced and work efficiency improved. Following the reforms in the county planning and economic commission, the number of sections was reduced from 11 to 5 and the number of administrative cadres from 119 to 29. This included a reduction from 15 to 9 in the number of directors and deputy directors and a reduction from 22 to 11 in the number of section chiefs and deputies. With the number of personnel reduced, the cadres went out to solve problems on the spot and there was a decline in the previous practices of arguing to and fro and kicking the football around. Comrade Hu Shuncai said: However, due to the fact that we established a county Planning and Economic commission, which was different from the organs established at higher levels, it was impossible to dovetail the work in the upper and lower levels, and an irritating situation of "four excessives" appeared in the county: excessive phone calls, documents, meetings, and form-filling. Comrade Hu Shuncai said with deep feeling: The upper and lower levels should act in concert to carry out political structural reform, otherwise, if the lower level moves while the upper does not, the more reforms are carried out, the more passive will our position be.

On the question of how to carry out political structural reforms, the participating comrades held discussions by reviewing the reforms in the county over the past few years. In 1982, acting on the principle of streamlining the organs and reducing the number of cardinal links, the county cut the number of departments, commissions and bureaus from 59 to 36. Some were abolished and some amalgamated. Some of the bureaus were turned into administrative companies (stations). For instance, the county Material Supply Bureau was changed into the county Material Supply Company, the Animal Husbandry Bureau was changed into the Animal Husbandry and Veterinary Service Company, and the Broadcasting Bureau became the Broadcasting Station. Although as a result of these changes, the number of bureaus was reduced and new signboards were hoisted, there was not reduction in the number of links in the middle. Many difficulties ensued because the structure of only the county-level organs was changed, while the structure above the county-level remained unchanged. Li Zhuming, manager of the county Material Supply Bureau, said that this bureau was orginally responsible for balancing material supply and demand in the whole county, and it was an important functional department of the county government. After it had been changed into an adminstrative company, a situation of a company managing other companies appeared, since the county material supply company took over responsibility for seven operational companies originally subordinate to the material supply bureau. These companies included the mechanical and electrical, metallurgical, chemical, and building materials companies. As a result, there was no separation of government and enterprise; the company's personnel were not acknowledged when they went out on liaison work or attended meetings at the upper-level responsible bureau; and even the capital and materials due to the company were cut off.

All the participating comrades at the forum said that structural reform is not done just for the sake of changing signboards, nor is it simply a matter of abolishing and amalgamating a number of departments; the main purpose is to streamline the administration and delegate powers. The readjustments and changes of the functions of government organs and the work of harmonizing and perfecting the administrative set up should be centered on economic work.

"Economic structural reform cannot succeed if only economic structural reform is pursued without political structural reform." This was the profound feeling of a number of enterprise managers. Pan Yunfang, member of the Guanghan county plastic plant, said that it is difficult to be a plant manager and even more difficult to manage a collective-ownership enterprise. She said, our plant ranks in stands in the front rank of the No 2 light industry system whole province as regards economic results and the size of contribution to the state. However, because ours is a collective-ownership plant, we have encountered major bottlenecks in developing production. She said with emotion that although the enterprise has not instituted the manager responsibility system, the plant's invogoration is hampered by the large number of upper-level organs and administrative tiers, and the plant manager can hardly exercise her powers. The managers of the county nitrogenous fertilizer plant and wine factory both said that political structural reform should be carried out in a matching way with economic structural reform and it should also create a relaxed environment for economic structural reform; only thus can the development of the productive forces be stimulated. As the enterprises' lateral economic ties become increasingly lively, management of the enterprises by economic measures should be stepped up and administrative intervention should be reduced.

Discussing the question of what organs and how many personnel are needed, Ye Wenzhi, secretary of the county party committee, Zhang Zuze, director of the committee's General Office, and Xia Mingxu, director of the county Personnel Bureau, said: Guanghan County has tried a number of reforms in this respect. The county authorities have established a "three fixed" method of fixing the organs, personnel, and expenditure. We have also encouraged the cadres to go to work in the townships and towns and the enterprises there. Since this reform was carried out, more than 50 departmental and bureau cadres have gone to work in the townships and towns. There have indeed been reductions in the number of organs and personnel required, since areas, population, and economc growth rate vary from place to place. Hence it is essential to proceed from reality when deciding how many organs and personnel are needed.

XIZANG HOLDS NEWS BRIEFING ON SOCIAL ORDER

HK150806 Lhasa Xizang Regional Service in Mandarin 1130 GMT 12 Aug 86

[Excerpts] On the morning of 11 August, the regional Public Security Department held a news briefing to report on the current social order of our region and to put forward several aspects of work which should be grasped well in the second half of the year.

In his speech, a responsible person of the General Office of the regional Public Security Department said: Social order in our region is now relatively stable. [passage omitted containing indistinct portions]

The number of criminal cases in rural and pastoral areas is small. Social order of some 80 percent of rural and pastoral areas in the first half of the year was stable and no cases of [words indistinct] occurred in a farily large number of counties. [passage omitted]

After summing up the achievements scored in social order in the first half of the year, this responsible person pointed out: We must see that many problems now still exist in the aspect of social order of our region. The problem of juvenile deliquency has not been solved very well. Social order in urban areas and [words indistinct] is still not stable. Criminal cases and cases of [words indistinct] are more than in the same period last year. In particular, enterprises and institutions have many problems of internal social order. Important cases that produce big effects and cause serious harm have frequently occurred. We must therefore lay stress on grasping well the following several aspects of work in the second half of the year:

1. It is necessary to continuously crack down on serious criminals and serious economic criminals according to the law. We must mainly and firmly grasp the struggle against larceny. [passage omitted]

2. It is essntial to resolutely implement the measures for comprehensive management.

3. It is imperative to strengthen grass-roots fundamental work and all aspects of work. We must mainly grasp well the management of floating population, scattered population, and public and amusement places. [passage omitted]

4. We must do well in grasping [words indistinct] and in building the ranks. We must establish the concept that public security work must be subordinate to and serve reform. We must conduct education in the nature and aim of a public security organ, in professional ethics, in discipline, and in duty for public security cadres and policemen. [passage omitted]

TRADE MINISTRY WORK GROUP VISITS XIZANG

HK180159 Lhasa Xizang Regional Service in Mandarin 1130 GMT 17 Aug 86

[Text] A work group headed by Zheng Tuobin, minister of foreign economic relations and trade, arrived in Lhasa on 16 August. In the afternoon of that day, Wu Junghua, secretary of the regional party committee, Doje Cering, chairman of the regional people's government, and other leading comrades including Basang, Mao Rubai, Tudao Doje, and Gong Daxi called on the group in the Lhasa Hotel, where it is staying, to welcome them in coming to the region to inspect its foreign economic relations and trade work.

This visit is being made in accordance with the series of central principles and policies for construction in Xizang and the instructions of leading central comrades on work in Xizang. It aims to investigate and study major issues in strengthening Xizang's foreign economic relations and trade cooperation, developing and expanding its foreign trade, supporting and building up production and circulation for Xizang's economy and trade, and invigorating the region's economy, and thus building a united, affluent, and civilized new socialist Xizang.

XIZANG LEADERS ATTEND SPORTS MEET OPENING

HK181201 Lhasa Xizang Regional Service in Mandarin 1130 GMT 15 Aug 86

[Excerpts] The fifth Xizang regional sports meet is taking place in the Xizang Gymnasium in the northern suburbs of Lhasa. It is 15 August today. [passage omitted] Several thousand spectators gathered in the large hall of the gymnasium ablaze with lights, [passage omitted]

Seated at the rostrum were responsible comrades of the regional party government, and Army, including Wu Jinghua, Pagbalha Geleg Namgya, Doje Cering, Mao Rubai, Gyaninacin Norbu, Niu Ruizhou, Hou Jie, Cao Xu, Jiangzhong Zhaxiduoji, Langjie, Samding Doje, Pamo, Jyamco, Tudao Doje, and Zhou Yangyu, and responsible comrades of the regional CPPCC Committee and Lhasa City. [passage omitted]

(Li Fa), vice chairman of the fifth Xizang regional sports meet Organization Committee and secretary of the regional Physical Culture and Sports Commission, announced the opening of the meet. [passage omitted]

Tudao Doje, chairman of the meet's Organization Committee and vice chairman of the regional people's government, delivered the opening speech. [passage omitted]

Eighteen units, including Xizang Military District and Xizang regional CPPCC Committee, presented silk banners to this 1986 sports meet. [passage omitted]

XIZANG HOLDS PARTY SCHOOL PREPARATORY COURSE

HK180201 Lhasa Xizang Regional Service in Mandarin 1130 GMT 17 Aug 86

[Excerpts] A ceremony to mark the opening of the preparatory course for Tibetan cadres for attending the Central Party School was held at the regional Party School on 15 August. Basang and Dangzin, deputy secretaries of the regional party committee, made speeches. (Chang Yunqin), director of the course, was present.

This preparatory course is being held in accordance with a decision of the regional party committee. The regional Party School has been commissioned by the Central Party School to run it. Students will study culture for 1 year in the school, and the outstanding ones will then be selected to attend the Central Party School to study theory. The rest will remain at the regional Party School to continue their studies there.

Basang pointed out in a speech: The central authorities are especially concerned for the training of cadres in Xizang. The Central Party School is specially holding a Xizang course. We are very fortunate to have such a study opportunity. I hope the participants in the preparatory course will have the sense of urgency and mission of studying for the sake of building up and invigorating Xizang. [passage omitted]

Dangzin said: At present we must lay particular stress on study of the Tibetan language. We should understand our own cultural traditions. As cadres of the local nationality, we should have a high degree of nationality self-respect. The world today has entered a new era. Science and technology are forging ahead in great strides. Our country is in a new period of history. He urged the participants to cherish their precious study time, strengthen their sense of urgency regarding study, face the future, and be bold to scale lofty peaks.

YUNNAN REPORTS INDUSTRIAL PROGRESS, PROBLEMS

HK170257 Kunming Provincial Service in Mandarin 2200 GMT 16 Aug 86

[Text] According to statistics from the departments concerned, total output value of Yunnan's industry in the first half of the year rose by 5.7 percent over the same period last year. Sales income of state-owned industries included in the budget rose by 9.9 percent. Profit and tax rose by 6.7 percent and profit and tax turned over to the state increased by 10 percent. Production safety took some turn for the better.

The deficiencies during the period were: Product quality was rather low. Only 50 out of 92 quality indices examined showed improvements compared with the same period last year. In addition, 26 out of 48 indices for raw material and fuel consumption showed increases. Production costs in some enterprises rose, more capital was consumed, and the circulation of capital slowed down.

The departments concerned have pointed out that in order to improve economic results in industrial production, all enterprises must regard improving product quality and reducing input consumption as the cardinal links in economic work in the second half of the year. It is also necessary to strengthen the enterprises' digestive capacity and improve the situation regarding the use of capital.

BEIJING CPC PLENARY SESSIONS REPORTED

7th Plenary Session

SK190652 Beijing BEIJING RIBAO in Chinese 7 Aug 86 p 1

[Text] On 6 August the Fifth Beijing Municipal CPC Committee held its Seventh Plenary Session, which adopted a decision on convening the enlarged plenum of the municipal party committee on 8 August.

8th Plenary Session

SK190705 Beijing BEIJING RIBAO in Chinese 10 Aug 86 p 1

[Text] From 8 to 9 August the Fifth Beijing Municipal CPC Committee held its Eighth Enlarged Plenary Session to readjust and elect supplementary and alternate members of the municipal party committee and members of the municipal Advisory and Discipline Inspection Commissions.

Attending the session were leading comrades of the municipal party committee, the municipal Advisory Commission, the municipal Dicipline Inspection Commission, the municipal People's Congress Standing Committee, and the Municipal CPPCC Committee, including Li Ximing, Chen Xitong, Jiao Ruoyu, Zhao Pengfei, Ye Zilong, Bai Jiefu, Jin Jian, Xu Weicheng, Wang Jialiu, Wang Guang, Li Qiyan, Zhang Mingyi, Han Boping, Li Guang, Chen Yuan, Wang Lixing, and Meng Zhiyuan.

Also attending the session were members and alternate members of the municipal party committee, the municipal Advisory Commission, and the municipal Discipline Inspection Commission; members and alternate members of the party Central Committee who are currently in Beijing; members of the Central Advisory Commission and the Central Discipline Inspection Commission; party-member leading cadres from the leading organs of the municipal People's Congress, the municipal people's government, and the municipal CPPCC Committee; and principal responsible personnel from the departments, commissions, and offices of the municipal party committee and the municipal people's government, from the leading party members' groups of the mass organizations, from various districts, counties, bureaus, and general companies, and from the party committees and the leading party members' groups of the higher educational institutions and municipal-level units.

Li Ximing, secretary of the municipal party committee, presided over and addressed the session. In his speech he stated: The Fifth Beijing Municipal CPC Committee, the Beijing Municipal Advisory Commission, and the Beijing Municipal Discipline Inspection Commission were elected at the fifth municipal party congress held in November 1982. At present, some comrades of the municipal party committee and the municipal commissions have surpassed the age limitation set forth by the party Central Committee for job tenures. Some have been on convalescence leave and a large number of veteran comrades have asked in succession to retire. Some comrades have left Beijing for other places because of the transfer of their work, and some have died. Therefore, the municipal party committee and the two municipal commissions should be supplied with supplementary members. This has a vital bearing on fulfilling the task of further replacing old cadres with new ones among the municipal leading party organs. In line with the provisions of the party Constitution and the spirit of the directives issued by the central authorities, we convene the (enlarged) plenary session to readjust and elect supplementary members in order to fill the vacant posts.

In his speech, Li Ximing extended great respect to these veteran comrades who had actively made up their minds to retire from the municipal party committee and the two municipal commissions. He stated: These veteran comrades have scored marked achievements during the long period of democratic revolution, socialist revolution, and socialist construction, and in the collective endeavor to create a new situation in the municipal program of building socialist modernization. Now, they have also played a model role in ending life-long tenure in leading posts and replacing old cadres with younger ones in the municipal leading body, and have made new contributions to the party in this regard. Li Ximing urged the party organizations at all levels to show full respect in politics to these retired veteran comrades, to assuredly provide the original living conditions for them in line with the provisions concerned, and to enable them to happily spend their retired veteran comrades to continuously show their concern for the municipal programs of building material and spiritual civilizations, democracy, and legal systems, and to suggest ways and means for the municipal drive to conduct reforms and to develop undertakings in various fields.

At the session, Jin Jian, deputy secretary of the municipal party committee, delivered a report to explain the principle of and candidate namelist for readjusting and electing supplementary and alternate members of the municipal party committee and the members of the municipal Advisory and Discipline Inspection Commissions.

Through a secret ballot, the participating members at the session elected 7 supplementary members and 3 alternate members of the municipal party committee, 23 members of the municipal Advisory Commission, and 6 members of the municipal Discipline Inspection Commission.

Following the election, the municipal Advisory Commission held a plenum to elect a chairman, vice chairmen, and Standing Committee members of the commission. The enlarged plenary session of the municipal party committee also approved the namelist of the elected chairman, vice chairmen, and standing committee members of the municipal Advisory Commission.

XING CHONGZHI VISITS HEBEI FARMER'S VILLAGE

SK190029 Shijiazhuang HEBEI RIBAO in Chinese 3 Aug 86 p 1

[Text] On the afternoon of 26 July, a car occupied by Xing Chongzhi, secretary of the provincial party committee, arrived in Shashiyu Village surrounded by hills in Zhunhua county. He was there to visit the village of Zhang Guishun, a national level model farmer.

Zhang Guishun has won the title operational level model farmer since 1950's. By displaying the spirit of a foolish old man who moved the mountains, he has led villagers to change the backward outlook of the village and has enabled it to become an advance unit in the country. Upon meeting the secretary of the provincial party committee, Zhang Guishun, still full of vigor at 74, talked on and on in a flow of intimate words while holding the secretary's hands.

When Xing Chongzhi inquired about his health and the village's situation, Zhang Guishun pointed to apples on the office desk and said with a smile: "These apples are the product of our orchards from which Shashiyu Village has made a fortune over the past few years. In 1985 the village's per capita income totaled more than 1,000 yuan and incomes earned from fruit production reached 350,000 yuan. The total output of grain was much higher than in the past.

Xing Chongzhi asked: "What are the current problems of rural villages?"

Zhang Guishun said after contemplating: "I believe the masses who have become wealthy are no longer as obedient as they were in the past and their enthusiasm to develop production is not greater than after the period during which the responsibility system was enforced. Therefore, efforts should be made to adopt good measures to encourage the masses to vigorously heighten their spirit."

Xing Chongzhi smilingly said: "You are right! To deal with this, what are your opinions?"

After glimpsing Yan Fuzhong, secretary of the village party branch, who was standing beside him, Zhang Guishun said: "I think it is necessary to depend on the party branch and the party members to deal with this problem. I am old and retired from my post in 1983. The party branch has done a great number of good deeds for the village over the past few years. It is very adequate and possible for our village to hold a mass meeting to discuss measures to deal with this problem. All development programs, such as planting grape vines and fruit trees and operating plants, should be carried out under the leadership of the party branch. Therefore, only by doing good deeds for the masses and rendering services to the masses will the party branch certainly be supported or endorsed by the masses."

Then, Zhang Guishun told Xing Chongzhi that a system of having party members assume responsibility has been enforced over the past few years, during which each of more than 50 party members in the village has in charge of 4 households. In this way, all measures known to the party members can be directly relayed by them to every household. Only by having party members take the lead in work can the village do everything smoothly.

Zhang Guishun also said, "We often studied measures to further enhance the enthusiasm of the masses over the past 2 years. In 1986 we will try to conduct specialized operations and businesses, such as the specialized task of planting grape vines, cultivating farmland, breeding crops, and raising animals." Xing Chongzhi said, "It is all right for us to centralize our tasks. However, it is imperative to uphold a voluntary principle and do a good job in carrying out our tasks."

When Xing Chongzhi inquired as to his opinions on their work done by his higher authorities, Zhang Guishun said: "Our party has suffered great losses from telling lies and indulging in empty talk in the past. It has gone better in this regard over recent years. However, the party style at present lags far behind that of the 1950's. We, being the personnel in charge of grassroots level work, always wish our higher authorities to refrain from telling lies and indulging in empty talk and even from believing in such lies and talk."

Xing Chongzhi repeatedly said: "Such an opinion is good."

At dusk Xing Chongzhi, accompanied by Zhang Guishun, went out of the village along a narrow road between grape orchards and green fields of various crops. They found the entire village, which appeared to be a mid-summer picture in which orchards at the foot of mountains and fruit trees on the slope of mountains are full of life, standing in sharp relief against the red ears of the corn crop. Pointing to the orchard on a slope, Zhang Guishun said: "The highest per mu yield of the orchard reached 7,000 jin. In 1987 we plan to continuously push forward the program of planting fruit trees. After several years, every villager will own 100 fruit trees, every tree will produce 100 jin of fruit, per capita income will reach 2,000 yuan, and every household with five family members will have an income of 10,000 yuan. The village will reach the well-off standard, if we conduct the additional programs of operating village-owned enterprises, plants, and mines, and of opening some farms breeding saplings.!"

Zhang Guishun's idea on future development was repeatedly praised by the secretary of the provincial party committee. Upon his departure, Xing Chongzhi wittily said while holding the hand of Zhang Guishun: "You have made new contributions, even though you are an old model farmer. We greatly appreciate your new ideas and wish you good health."

HEBEI ON CONSOLIDATING INDUSTRIAL BUILDING MARKET

SK180210 Shijiazhuang Hebei Provincial Service in Mandarin 2200 GMT 1 Aug 86

[Text] The provincial urban and rural construction and environmental protection department recently called for continued efforts to strengthen and consolidate the province's industrial building market, with the focus on correcting the unhealthy trends of contracting for projects and economic crimes.

Since the building trade of our province carried out reform, the industrial building market has thrived, and the monopoly by urban state enterprises has been eliminated. However, due to the rapid increase in construction workers, and a failure to effect timely management, some chaotic phenomena emerged in the industrial building market. Some people pursued selfish gain in the name of carrying out reform. Some designing units drew designs which exceeded the prescribed standards or budgetary estimates, and subcontracted the designing tasks to unlicensed units or individuals. Some construction units sought quantity and output value at the expense of construction quality and social benefit. At the same time, unlicensed designing and construction was not unusual. These problems have directly affected the economic results of construction and enterprises. In the first half of this year, more than one-third of the collective enterprises at and above the county level throughout the province suffered deficits, which totaled 1.54 million yuan.

Since early this year when arrangements were made to consolidate the industrial building market, all prefectures and cities have taken action, and achieved certain results. Handan City ferreted out 66 unlicensed construction teams, and 11 illegal subcontracted projects in April. Consolidating the market and correcting unhealthy trends simultaneously, Gucheng County of Hengshui Prefecture combined 143 town and township construction teams into 21, thus upgrading their equipment and technical forces. In early July, the leading provincial group for consolidating the industrial building market called on all localities to further strengthen leadership and continue the consolidation of the industrial building market with the focus on correcting unhealthy trends in contracting for projects, and dealing blows to economic crimes.

SHENYANG PLA COMMANDER INSPECTS LIAONING FLOODING

SK190258 Shenyang LIAONING RIBAO in Chinese 6 Aug 86 p 1

[Text] Leading comrades of the Shenyang Military Region paid great attention to the floods in Sanjiangkou and other areas of our province. On 4 and 5 August, Commander Liu Jingsong, Deputy Commander Zhu Dunfa, and Chief of Staff Li Haibo inspected the flood situation in Sanjiangkou, Liaozhong, Xinmin, Panjin, Taian, and Tangmazhai by helicopter on three occasions. They worked out plans for units of the military region to assist our province's antiflood and emergency rescue work, providing great support to it.

Thus far, more than 4,300 soldiers have participated in Liaoning's antiflood and emergency rescue work. Commander Liu Jingsong wound up his inspection tours in other areas ahead of schedule and came to inspect the flood situation in Sanjiangkou area by helicopter. To conquer the forthcoming flood peaks of Liao He, Hun He, and Taizi He, leading comrades of the military region issued instructions to units stationed in our province on the afternoon of 5 August urging them to make good preparations for the antiflood of 5 August urging them to make good preparations for the antiflood and emergency rescue work, to strengthen contacts with local antiflood departments, and to be ready to go to the forefront of the antiflood and emergency rescue work at any time.

QUAN SHUREN ATTENDS LIAONING ANTIFLOOD CONFERENCE

SK190508 Shenyang LIAONING RIBAO in Chinese 6 Aug 86 p 1

[Excerpts] It is high time that we carry out the antiflood and rescue work since the province is confronting a major flood season. On the evening of 5 August, the provincial party committee and the provincial government held an emergency telephone conference on flood prevention and rescue work, calling on servicemen and civilians to be firmly determined to capture an overall success in the antiflood and rescue work.

Attending the conference were Quan Shuren, secretary of the provincial party committee; Sun Qi, deputy secretary of the provincial party committee; Feng Yousong, vice chairman of the provincial People's Congress Standing Committee; and responsible comrades of the provincial Military District. On behalf of the provincial party committee of the provincial party committee, vice governor of the province, and chief commander of the provincial flood prevention headquarters, made further arrangements for the province's antiflood and rescue work. [passage omitted]

Bai Lichen set forth specific requirements for the antiflood and rescue work. First, at present, leaders at all levels should concentrate their major energy on antiflood and rescue work and make sure to implement the antiflood and rescue work. [passage omitted] Second, we should make efforts to ensure that all embankments are safe. [passage omitted] Third, we should strengthen leadership and make efforts to provide technology for the antiflood and rescue work. Leading administrative cadres and technological cadres should take charge of the work in the dangerous sections of the embankments. Fourth, we should firmly grasp the work of draining waterlogged areas to reduce losses due to waterlogging. [passage omitted] Fifth, we should carry forward the practice of taking the whole situation into consideration. Only when all departments closely work together can we achieve the flood prevention work. [passage omitted] Sixth, we should grasp the work of sending relief to the disaster-stricken areas. So far, hundred of thousands of people throughout the province have been seriously stricken by the disasters. Some of them are still besieged by the floods and have great food, clothing, and housing problems. [paragraph continues]

Therefore, party and government leaders at all levels should organize relevant departments, such as civil administrative, public health, supply and marketing, commercial, and grain departments, to engage in the work of sending relief to the disaster-stricken areas.

Comrade Sun Qi was the last to deliver a speech. He emphatically pointed out: At present, party committees and government at all levels and each and every party member and cadre are confronted with a severe test. Let us carry forward last year's revolutionary spirit to deal with the antiflood and rescue work, and work together to capture an overall success in the antiflood and rescue work and to make new greater contributions to the four modernizations.

LIAONING REPORTS LOSSES FROM FLOODING

SK190710 Shenyang LIAONING RIBAO in Chinese 6 Aug 86 p 1

[Excerpts] Following last year's serious natural disasters, cloudbursts, floods, windstorms, hailstorms, and mud and rock slides have hit our province successively this year. The serious natural disasters have stricken 10 cities, 281 townships, and 1,329 villages, and great losses have incurred in industrial and agricultural production and the people's lives and property. At present, the disaster situation is still developing, and the troops and civilians throughout the province are going all out to combat floods and are carrying out disaster relief work with a revolutionary spirit under the leadership of party organizations at all levels. [passage omitted]

Natural disasters that have hit large areas have caused great losses to the province's industrial and agricultural production and the people's lives and property. According to statistics from departments concerned, by 5 August, more than 4 million mu of farmland throughout the province had been flooded, of which 1.11 million mu were totally destroyed, and a decline of 1.63 billion jin in grain production is expected. A total of 264,000 fruit trees and 80,000 other trees had been blown down, and a loss of 180 tons of fruit is expected. More than 7,200 head of animals and poultry had died, 1,064 water conservation and aquatic product production facilities and 169.6 km of communications, power transmission and telecommunications lines had been damaged, 30,000 rooms of civilian houses had been flooded, and 11,632 rooms had collapsed. Nearly 1.1 million people throughout the province are afflicted, and at the same time, some township enterprises have suspended production. Direct accumulated economic losses have exceeded 24.22 million yuan so far.

Under the leadership of the provincial party committee and government, all party and government organizations, and the masses of troops and civilians throughout the province, who were tested by last year's antiflood and emergency rescue struggles, have carried forward the workstyle of successive combat, and gone all out to combat the floods and carry out disaster relief work. Leading cadres have gone to the frontline of the two battlefronts of antiflood and disaster relief work extended by various cities and counties to lead the masses in combating floods and safeguarding dikes, and to organize the masses to carry out emergency rescue work simultaneously. PLA commanders and fighters who made great contributions in last year's antiflood struggles have again made new contributions this year. At present, despite the developing flood situation, the people's minds are at rest, social order is good, and the masses of cadres and people, instead of waiting for and relying on others' assistance, are vigorously carrying out relief work through production, and are striving to reduce losses to the minimum.

LIAONING MILITARY LEADERS INSPECT FLOOD SITUATION

SK190818 Shenyang LIAONING RIBAO in Chinese 9 Aug 86 p 1

[Text] On 7 August, Liu Dongfan, political commissar of the provincial Military District, and Yuan Genshuan, deputy commander, as well as other leading comrades, prepared their own food and went to Baijiagou Township in Faku County and Hungjia Township in Xinchengzi District of Shengyang City to inspect the flood situation. After the inspection, they called on the broad masses of militiamen in Shenyang, Tieling, Panjin, Anshan, Yingkou, Benxi and Dandong, particularly those living along the main courses of the Liao He, Hun He, Taizi He and Ai He, to overcome carelessness and a wait-and-see attitude, to make continued and active efforts to prevent flooding, and to prepare for meeting a still greater flood crest.

DEVELOPMENT OF DALIAN ECONOMIC ZONE REPORTED

SK190305 Shenyang LIAONING RIBAO in Chinese 4 Aug 86 p 1

[Text] The focus of construction of the Dalian economic zone has been shifted to industrial construction. By the end of July, the zone had signed 29 contracts on projects concerning joint ventures, cooperation, technology imports, and domestic lateral ties, with a total investment of more than 344 million yuan. Construction of 21 enterprises has started, and projects initiated ealier have already yielded notable results.

After 15 October 1984, when construction officially began, the Dalian economic development zone concentrated efforts on construction of the infrastructure. During the first half of this year, the infrastructure began to take shape, and the focus was shifted to the construction of industrial projects in a timely manner. To date, four of the enterprises constructed earlier have been completed and have gone into operation. The Dongfang Computer Technology Development Corporation, jointly invested in by the Fushun and Shenyang Cities, and Hong Kong, had succeeded in making an office automation system, which, as the only product made by China-foreign joint ventures, was named a quality project at a recent national exhibition on computer applications. This joint venture has made a profit of 800,000 yuan, and is expected to recoup all of its investments by the end of this year. Within this year, 10 projects of the development zone will be completed and commissioned, which, after operating at full capacity, will create 158 million yuan in output value per year.

QINGHAI STEEL PLANT PRAISED IN CADRE REFORM

HK151249 Xining Qinghai Provincial Service in Mandarin 2230 GMT 13 Aug 86

[Text] Xinging steel plant boldly reformed its enterprise management system and streamlined its organization at the section level. In addition, it replaced the system of appointing cadres at and above the deputy section head level with that of recruiting them, so that the enterprise has made a great step forward on the road of promoting modern management.

Xining steel plant employs more than 12,000 workers and is the province's largest enterprise. For a long time in the past, the enterprise's overlapping and overstaffed organizations developed the practice of shifting responsibilities onto others. The workers complained a lot about this situation. Following its implementation of the responsibility system of plant director in September 1985, the plant director put the focus of his work on reforming the enterprise management pattern. With close cooperation from the party secretary, he received great suupport for carrying out reform. The party committee organized leaders of the political work group to repeatedly educate workers about the significance and roles of reform, thereby dispelling the worries of some people.

After reform, the enterprise's permanent organizations decreased from 45 to 40, while its units at the section level were cut by 28 percent. The number of cadres at the and above the deputy section head level was decreased by 197 people. While setting up its internal organizations, the plant acted in accordance with the features of modern management and got rid of the outdated conventions of dealing with matters with personnel of the same rank. It did not follow the practice of creating a job just to accommodate a person. Instead, it emphatically strengthened the work of technological development and quality checks, as well as that of production and operations departmens. Moreover, it established the post of director-engineer in workshops, major subsidary workshops, and technoligical areas. On the principle of assigning the decision-making power to the grass roots, abolishing posts at the district level, and reducing the number of deputies to office heads, the plant implemented the responsibility system level by level. Its director was mainly responsible for the organizational setup and the numberr of leading cadres at the department level. Administrative deputies to leading groups at the second level are nominated by the heads and examined by the plant. All heads of leading groups at the third level are wholly recruited by the leading groups at the second level.

In the course of reform, Xining steel plant also stipulated that the terms of office of recruited administrative leaders is 3 years, during which the leaders should work out their management plans and carry out various economic responsibility system. The plant director might dismiss at any time any leader who is incompetent. The ranks of recruited cadres at department and section levels, as well as directors-engineers, will be recognized only when they work for the plant, and the plant will no longer recognize their ranks once they leave the plant.

Station Commentary

HK151305 Xining Qinghai Provincial Service in Mandarin 2230 GMT 13 Aug 86

["Station commentary: "Conform to the Development Trend, Boldly Carry Out Reform"]

[Text] With no fear of difficulties, Xining steel plant resolutely cut overlapping organizations and cut the number of staff members who were not engaged in productive work. This is a valuable step taken by the plant following its implementation of the plant director responsibility system. This bold reform, which confroms to the current deveopment trend, is worthy of praise and should serve as a lesson for other factory directors.

At present, many enterprises in the province still stick to the management style of the 1960's and 1970's, which can hardly conform to the present market structure, and the requirements of consumers. This requires the province's enterprises to confrom to the new pattern of industrialized mass production. They should resolutely cut overlapping organizations, and cut the number of staff member who are not engaged in productive work.

Compared to enterprises in other parts of China, our enterprises' production costs are higher. There are reasons for this. One of them is that we have too many staff members engaging in non-productive work. The labor achievements of workers who work on the forefront of production are shared by these staff members. If we let things continue like this, the enterprises will shoulder heavier economic burdens and the production initiative of the forefront workers will be dampened.

At present, many enterprises face difficulties in the work of streamlining organizations and cutting the number of staff members. This is mainly because of personal relations. Some people get used to eating from the same big pot and make no efforts in their work. The recent reform in the Xining steel plant has caused a great reaction among the people and disturbances have come one after another. This illustrates the point. It is normal that there are difficulties and setbacks in the course of reform which will inevitably undermine the interests of some people. Provided that the work will bring benefits to the majority and the plant's production, however, we must carry it out.

Facts have shown that whoever carries out reform first will enjoy the benefits and will be in an invincible position amidst the competition.

CONSTITUTION COMMISSION DISCUSSES REUNIFICATION

OW141439 Taipei CNA in English 1358 GMT 14 Aug 86

[Text] Taipei, Aug. 14 (CNA) -- The National Assembly's Constitutional Research Commission held its 76th general meeting Thursday in Taipei.

Vice Chairman Ku Cheng-kang of the commission said at the meeting that now is the key moment for extensively expanding the movement of reunifying China under the three principles of the people.

To attain this goal, the commission will focus its research on how to strengthen the operation of Constitutional Democracy in the Republic of China in order to bring the democratic system to the Chinese mainland at the earliest possible date, Ku noted.

EXPORTERS WARNED AGAINST U.S. PROTECTIONISM

OW190311 Taipei CNA in English 0238 GMT 19 Aug 86

[Text] Taipei, Aug. 18 (CNA) -- The Ministry of Economic Affairs has called on domestic manufacturers and exporters to beware of another wave of protectionism in the United States calling for tougher import restrictions on foreign products Americans consume.

Although the U.S. Congress failed to override President Reagan's veto of the Jenkins Bill, it is still studying to impose restrictions on foreign products by revising the current import certificate system, a ranking official with the Economics Ministry said Monday.

Vice Economics Minister Li Mo said that the U.S. Congress tried but failed to override President Reagan's veto of the Jenkins Bill setting stiff limits on imports of foreign textiles and footwear, but this does not mean that it has given up its attempts to resist foreign imports.

Li indicated that the U.S. Congress has begun to study a new protective bill restricting the issuance of import certificates for foreign products.

The U.S. is the largest buyer of the nation's products, Li said. The bill calling for tighter restrictions on issuance of import certificates, if passed, would have a greater impact on this nation than the Jenkins Bill would have had, Li said, calling on the people here to watch closely the development of this issue.

COMMENTARY HAILS U.S. ARMS SALES TO TAIWAN

OW181413 Taipei CNA in English 1357 GMT 18 Aug 86

[Text] Taipei, Aug. 18 (CNA) -- The following is a commentary by the Broadcasting Corporation of China (BCC) in Taipei entitled "An Investment in Peace."

A senior State Department official reaffirmed last week that U.S. arms sales to the Republic of China on Taiwan is consistent with U.S. law and policy, and in effect, represents "an investment in peace in Asia."

Counselor of the State Department Edward Derwinski was apparently commenting on Peking's protest over the proposed 260-million-dollar package of equipment for Free China's anti-submarine aircraft.

At a briefing for foreign reporters in Washington, Derwinski said in his words: "We don't look upon it is anything other that an investment in peace in the region. It is not a provocative act."

Derwinski's remarks are a statement of facts as he pointed out, arms sales to the Republic of China are specified in the Taiwan Relations Act, which is a law of the United States.

A Free China capable of defending itself is not only what the Chinese people on both sides of the Taiwan Straits want but in the interests of all free nations in the Asian-Pacific region.

There would be war in the Taiwan Straits if the Republic of China loses its defense credibility, because Peking is determined to absorb Taiwan while the 19 million people of Free China will fight to the last man to defend their way of life.

Red China has consistently refused to renounce the use of force. It has not taken military action against Free China only because Free China is adequaltely prepared for an invasion from the mainland.

As long as Free China's defense deterrence remains convincing, the Chinese communist rulers will have to think hard before they decide to move. The time gained will enable the Chinese people to decide the future of the whole Chinese nation in a peaceful manner.

But it is not the future of China alone that hinges on the security of Taiwan. The security of the entire Western Pacific is closely linked with that of Free China because of the strategic location of the island bastion.

The occupation of Taiwan by a hostile power would pose a serious threat to the sealane of communication to Japan and South Korea. The two nations could be economically strangled if they are denied the safe passage of the Taiwan Straits.

An unfriendly force in Taiwan would also be a threat to the giant U.S. Air and naval bases on Luzon, which is separated from Taiwan only by the narrow Bashee Channel.

As long as Free China remains militarily strong, it will not only keep out Communist China but also play an active role in checking Soviet expansion in the region.

Therefore, it is literally true the continued U.S. arms sales to the Republic of China is an investment in peace.

ANTI-DAYA BAY ACTIVISTS LEAVE FOR BEIJING

HK180526 Hong Kong SOUTH CHINA MORNING POST in English 18 Aug 86 pp 1, 2

[By Chiu Kit-ying]

[Text] Chinese Premier Mr Zhao Ziyang and other top officials may come face-to-face with Hong Kong's antinuclear activists who left for Beijing yesterday to lobby for the shelving of the Daya Bay project.

The wish of the Coalition for the Shelving of the Daya Bay Nuclear Power Plant for a meeting would be conveyed to Beijing by the NEW CHINA NEWS AGENCY, according to coalition spokesman Mr Anthony Ha.

There has been no indication yet that Mr Zhao or his senior ministers will see the 12-man coalition delegation, which flew to the Chinese capital from Guangzhou armed with the signatures of a million Hong Kong residents, a pile of survey findings, newspaper cuttings and nuclear safety reports from overseas.

They represent 115 organisations comprising the coalition.

Mr Ha said at Hunghom railway station it was important for the group to see someone powerful enough to decide whether to shelve the plant or not.

"The technical aspect of our trip is of secondary importance," he said.

Mr Ha said it was China's custom not to release prior information on who top officials would meet, but the group would agitate for meetings while in Beijing.

The NEW CHINA NEWS AGENCY, however, has so far arranged meetings with officials from the Hong Kong and Macao Affairs Office, the Nuclear Department and National Nuclear Safety Administration.

The delegates were not discouraged by an earlier statement from Mr William Stones, chairman of the Hong Kong Nuclear Investment Company, which is wholly owned by China Light and Power, rejecting the demand to terminate the contract to buy electricity from Daya Bay.

"China Light and Power is a commercial company and as such we don't expect it to back out from a major project unilatertally without having to suffer heavy compensation costs," said Mr Ha.

"Therefore it is even more important for us to go to Beijing to persuade the Chinese authorities to shelve the project as it is they who can make the decision not China Light and Power."

The delegates have divided into subgroups, each responsible for briefing Chinese officials on economic, safety, political and health aspects of the Daya Bay plant.

They hope to pursuade Beijing to at least postpone the signing of the contracts with France's Framatome and Britain's General Electric Company scheduled to take place in the middle of next month.

The delay could allow time for further studies and consideration on the construction of the plant.

Apart from eight cartons containing more than a million signatures from Hong Kong, the delegates loaded themselves with some opinion surveys which show that a majority of people object to construction of the plant. There were also newspaper cuttings detailing the pros and cons of building the Daya Bay plant and four overseas reports about the safety of the type of pressurised water reactor to be used at Daya Bay.

Another delegate, Mr Fung Chi-wood, hoped China would give serious thought to the reports, which he said were independently conducted and authoritative.

HONG KONG TV TO RECEIVE SOVIET TV BY SATELLITE

HK180504 Hong Kong HONGKONG STANDARD in English 18 Aug 86 p 1

[By Shirely Hui and Peter Loke]

[Text] Russian television programmes beamed off Soviet satellites may soon be flashing on local TV screens.

Asia Television [ATV] has just bought its own satellite dish, manufactured in Shanghai, which will be able to receive overseas satellite transmissions, including those of the Soviet Union. However, there are several formalities the station will have to straighten out before it can broadcast any programmes received on the dish. At present, privately received programmes cannot be re-broadcast without clearance from Cable and Wireless, Hong Kong.

The question is whether programmes beamed off Soviet satellites are covered under international agreements. Meanwhile, ATV said it bought the dish to explore the benefits of the latest technology.

The chief engineer of ATV, Mr Lam Sai-cheong, confirmed a report by the CHINA NEWS SERVICE that they had ordered a 5-metre satellite dish from Shanghai. It is due to arrive soon. With it, the station will be able to receive satellite TV broadcasts from Beijing, the Soviet Union and possibly a few other countries.

Television Broadcast (HKTVB) is also reportedly negotiating with the same company in Shanghai for the same kind of satellite dish, although this could not be confirmed.

If all legal problems are sorted out and the satellite signals are good enough for re-broadcast, ATV audiences may look forward to a wider choice of international fare. But Mr Lam said yesterday it is too early to talk about future viewing.

He would only say if the move is part of the station's preparations to compete with the cable television service which plans to include satellite programmes. "As technicians, we must move ahead of the times. Satellite technology is something we in the broadcasting industry must know about," Mr Lam said.

Cable and Wireless holds an exclusive licence to provide external television services to and from Hong Kong through its huge station in Stanley. ATV will have to make the appropriate arrangements if it is to televise programmes off its dish.

"We aren't even sure whether the signals we'll receive on our small dish will be good enough for re-broadcast," Mr Lam said. "Unlike other countries, we don't have our own overhead satellites, and the signals are quite weak when they reach us," he said.

But it is technically possible to re-broadcast satellite TV programmes picked up on a 5-metre dish, he added.

At present, the two TV stations pay Cable and Wireless for live satellite broadcasts of football matches and other world events. The daily news programmes also arrive this way. With the installation of its own satellite dish, ATV will be able to receive direct broadcasts -- including news -- from overseas.

PRC OFFICIAL ON HONG KONG RIGHTS, DUTIES

HK180843 Beijing XINHUA Hong Kong Service in Chinese 0752 GMT 13 Aug 86

[Report: "LIAOWANG OVERSEAS EDITION No 33 Carries an Article on the Basic Rights and Duties of Hong Kong Residents in the Future"]

[Text] Hong Kong, 13 Aug (XINHUA) -- Wang Shuwen, one of the responsible people of the group in charge of the special topic "Hong Kong residents' basic rights and duties" of the Basic Law Drafting Committee which has recently finished its activities in visiting Hong Kong gave the following views in an interview with a reporter of LIAOWANG weekly:

At various kinds of meetings to exchange views and get-togethers in the over 10 days during the group's stay in Hong Kong, the issues that people talked much about were in the main the concept of the Hong Kong resident, his rights and duties, his election rights and rights to be elected, and the questions of whether the "International Covenant on Civil and Political Rights" and "International Covenant on Economic, Social, and Cultural Rights" are applicable to him. A relatively common view is that the regulations on Hong Kong residents' basic rights and duties in Hong Kong, have Hong Kong characteristics, meet Hong Kong's needs, and facilitates safeguarding Hong Kong residents' rights and interests and Hong Kong's stability and prosperity.

Wang Shuwen then said that from the opinions given by the people, he could see that in order to make the regulations of Chapter 3 of the Basic Law meet these requirements, it is necessary in the work of drafting to pay attention to solving the following problems. He first discussed the need to fully embody the principle of "one country, two systems." The structure of the Basic Law (Draft) already clearly points out in its "Preface": Under the guidance of the principle of "one country, two systems," the Hong Kong Special Administrative Region [SAR] is to be established: A Basic Law of the Hong Kong SAR is formulated in accordance with Article 31 of the Constitution in order to safeguard the sovereignty of the state and Hong Kong's stability and prosperity. These principles must be embodied in the various chapters of the Basic Law when it is drafted.

At the get-togethers, the people of various circles in Hong Kong all stressed that both in drafting Chapter 3 and in deciding the wording concerning the Hong Kong residents' basic rights and duties we had to conscientiously implement the basic principle of "one country, two systems."

Concerning the principle that Hong Kong's existing laws will remain in the main unchanged, Wang Shuwen said: Maintaining Hong Kong's existing laws in the main unchanged is a basic principle fixed by the Sino-British Joint Declaration and the (Draft) Structure of the Basic Law. At present, there is no law among the existing laws in Hong Kong that collects and provides unified stipulation on Hong Kong residents' rights and duties. However, there are quite many a few and cases of precedence related to them. Many Hong Kong people expressed the view at the get-togethers that in drafting Chapter 3 of the Basic Law, we should conscientiously implement the principle of maintaining Hong Kong's existing laws basically unchanged in order to earnestly ensure Hong Kong residents' rights and freedom. Some pointed out that Hong Kong's existing laws provided on the one hand the rights and freedom to be enjoyed by Hong Kong residents, but on the other hand, they also provided some conditions and restrictions such as those forbidding people to undermine public order or to encroach on other people's right. This was entirely necessary in safeguarding Hong Kong's stability and prosperity. Others held that maintaining Hong Kong's existing laws basically unchanged does not mean that the legislature of the future Hong Kong SAR cannot formulate new laws in the light of the actual situation and in accordance with the relevant stipulation in the Basic Law and the procedure provided by law in order to meet the demand resulting from Hong Kong's development. Shuwen believed that all these opinions were very useful for reference.

As for provisions of the "International Covenant on Civil and Political Rights" and the "International Covenant on Economic, Social, and Cultural Rights" as applied to Hong Kong, some Hong Kong people suggested tht they should be written into an annex of the Basic Law. Wang Shuwen said that both the Sino-British Joint Declaration and the (Draft) Structure of the Basic Law clearly stipulate that these two convenants as applied to Hong Kong will remain in force. Now, most of the people believe that as the detailed provisions of these two covenants are quite long, it is fairly difficult to write them entirely into the Basic Law. A comparatively satisfactory way to solve this problem is that clear provisions are written into the Basic Law concerning the rights and freedom listed in the Sino-British Joint Declaration and (Articles 2-11 of Chapter 3) of the (Draft) Structure of the Basic Law. By so doing, the Basic Law will be able to embody the main contents of the provisions of the two convenants as applied to Hong Kong. In addition, another provision of principle can be written into the Basic Law, clearly stating the relations between the provisions of the two covenants as applied to Hong Kong and the laws of the Hong Kong SAR and stating that these provisions will be implemented in accordance with and through Hong Kong's law.

On this reporter's question of how the issue concerning Hong Kong residents and othe people is to be resolved in drafting the Basic Law, Wang Shuwen said: People have shown great concern about this and hope that the basic law proceed from Hong Kong's characteristics and the reality in an international city and thus pay attention to protecting not only the legitimate rights of the residents of Chinese nationality but also those of the residents of foreign nationality and to protecting not only the legitimate rights of Hong Kong residents but also to legitimate rights of other people in Hong Kong. Now many people believe that there should be two kinds of Hong Kong residents: Permanent and nonpermanent residents.

Permanent residents are the six categories of people in Annex 1 of the Sino-British Joint Declaration who have the right of abode in the Hong Kong SAR and, in accordance with the law of the Hong Kong SAR, be qualified to obtain permanent identity cards issued by the Hong Kong SAR Government. According to the conditions (including those related to age) provided by the law, these permanent residents enjoy their rights to vote and be elected. By nonpermanent residents, who are also called ordinary or temporary residents, we mean those who are already qualified to be Hong Kong residents, but who are not yet qualified to be in the abovementioned six categories of Hong Kong residents. Those who are not the abovementioned Hong Kong residents are other people living in Hong Kong. Wang Shuwen held that it is necessary for the Basic Law to stipulate that the legitimate rights of other people in Hong Kong are also protected by Hong Kong's law as well as to stipulate the rights and freedom that the Hong Kong residents should enjoy as stipulated in the special administrative region's law (including Hong Kong's Basic Law, Hong Kong's existing laws, and the laws that will be made by the Hong Kong SAR's legislature).

Concerning the legitimate rights and interests of the original residents in the New Territories, Wang Shuwen said that in the light of the special situation in the New Territories, in stipulating Hong Kong residents' rights and freedom, it is necessary to write into the law some special rights and interests that the original residents of the New Territories have originally enjoyed according to Hong Kong's existing law. Annex 3 of the Sino-British Joint Declaration contains some provisions related to land deeds to protect the relevant rights of the original people in the New Territories. Therefore, (Article 35 of) Chapter 3 of the (Draft) Structure of the Basic Law clearly says, "The legitimate rights and interests of the original people of the New Territories are protected." Many people are of the opinion that this stipulation is conducive to strengthening the unity among Hong Kong residents.

Concerning Hong Kong residents' duties, Wang Shuwen said that most people believed that while stipulating the rights and interests of Hong Kong residents and other people, the Basic Law should also stipulate the duties that they should perform. As for what duties it should stipulate, quite many people who took part in the get-togethers put forth their opinions and views. Generally, they all think that the stipulation in (Article 16) of Chapter 3 of the (Draft) Structure of the Basic Law that Hong Kong residents (and other people) should perform the basic duty of obeying the law of the Hong Kong SAR is necessary and proper.

On this reporter's question of whether any new issue not clearly listed in the Sino-British Joint Declaration and the (Draft) Structure of the Basic Law can be written into the Basic Law, Wang Shuwen said when they draft the Basic Law, they would conscientiously study and consider all new suggestions and opinions. During their visit, they heard some people's suggestions about adding some new contents to Chapter 3 including the principle of all people being equal in face of the law, freedom of writing, press freedom, welfare for laboring people, and protection of women's legitimate rights and interests. When the third meeting of the group in charge of this special topic is held in Xiamen in late August, it will discuss these suggestions.

Concerning this reporter's last question about the question asked by some people of whether the guiding thoughts for drafting the Basic Law should be socialist or capitalist legal concepts, Wang Shuwen said that this was a very clear matter. Just as Ji Pengfei, chairman of the committee, said: We should make the Basic Law accurately embody the principle of "one country, two systems" in an all-round manner and we should satisfactorily unify "one country" with "two systems."

This means that we should combine loving the motherland with loving Hong Kong and draft a basic law that can safeguard both our country's sovereignty and Hong Kong's stability and prosperity. He also expressed the view that in drafting the Basic Law, it is necessary to follow the guiding principle of "one country, two systems" and to both refrain from deviating from the spirit expounded on by the Sino-British Joint Declaration and its annexes and fully solicit the opinions of people of all circles in order to write into law the series of our country's basic principles and policies toward Hong Kong.

Issue No 33 of the (Overseas Edition) of LIAOWANG weekly, which will soon come off the press, publishes the contents of its reporter's interview with Wang Shuwen in the article entitled "Wang Shuwen on Characteristics of Hong Kong Residents' Basic Rights and Duties in the Future."

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FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY NEWS BRIEFING

OW201020 Beijing XINHUA in English 1010 GMT 20 Aug 86

["Soviet First Vice-Chairman of Ministers' Council to Visit China -- XINHUA headline]

[Text] Beijing, August 20 (XINHUA) -- Nikolay Vladimirovich Talyzin, first vice-chairman of the Council of Ministers and chairman of the State Planning commission of the Soviet Union, will visit China in the first half of September at the invitation of the Chinese Government. This was announced by a Foreign Ministry spokesman at a weekly news briefing here this afternoon.

In response to a question on the purpose of Talyzin's visit to China, the spokesman said it is a return visit to Chinese Vice-Premier Yao Yilin's visit to the Soviet Union last year. Talyzin is in charge of economic and planning work, so he will discuss relevant questions in this field with the Chinese side, the spokesman added.

On whether Soviet Vice-Minister of Foreign Affairs Mikhail Stepanovich Kapitsa will visit China and on the visit by Soviet First Vice-Chairman of the Council of Ministers Ivan Vasilyevich Arkhipov, the spokesman denied that Kapitsa would head a delegation to visit China. He said Arkhipov came to China in his own personal capacity for medical treatemnt and he met with Wan Li, Yao Yilin and Li Peng who went to call on him. They did not touch on political issues, the spokesman said.

When asked about whether Chinese Foreign Minister Wu Xueqian will attend the U.N. General Assembly this year and meet the Soviet foreign minister, the spokesman said Wu will attend the U.N. General Assembly and usually meet his counterparts from various countries during the meeting. So it is no doubt that he will meet with his Soviet counterpart during the meeting, he said.

Views Talyzin, Arkhipov Visits

HK200858 Hong Kong AFP in English 0849 GMT 20 Aug 86

[Text] Beijing, Aug 20 (AFP) -- Soviet First Vice-Premier Nikolay Talyzin will visit China during the first half of September for talks on improving Sino-Soviet economic relations, a Chinese Foreign Ministry spokesman confirmed Wednesday.

Spokesman Ma Yuzhen said Mr Talyzin would be returning a visit to Moscow which Chinese Vice-Premier Yao Yilin made in July 1985. The Soviet official is to mainly discuss bilateral economic cooperation and trade, Mr Ma said. Mr Talyzin, chairman of the Soviet Planning Commission, is said to be close to Soviet leader Mikhail Gorbachev.

In another development, Mr Ma confirmed that another Soviet first vice-premier Ivan Arkhipov, had met three Chinese counterparts since he arrived here July 27 on a private visit for acupuncture treatment of a nervous condition. But Mr Arkhipov did not take up political topics with Wan Li, Li Peng and Mr Yao, the Chinese spokesman said.

Mr Arkhipov, 78, was still in China and being treated for very serious facial pain, Mr Ma said, without specifying when he would be returning to the Soviet Union.

The spokesman made no reference to a meeting between Mr Arkhipov and a fourth Chinese vice-premier, Qiao Shi, which Western diplomats said took place.

Reacting to Monday's announcement by Mr Gorbachev that the Soviet Union would extend until January 1 its moratorium on nuclear testing, Mr Ma said the issue was not a "completely isolated" matter.

He reaffirmed China'a longstanding policy that the United States and the Soviet Union should both end the testing, production and deployment of nuclear weapons and significantly reduce their existing arsenals.

China detonated its first atomic bomb in 1964 and has since conducted about 30 nuclear tests. Last spring it annouced that it would no longer stage atmospheric tests.

Mr Ma also said there were no obstacles to prevent a meeting between Foreign Minister Wu Xueqian and his Soviet counterpart Eduard Shevardnadze when the U.N. General Assembly meets in New York this autumn. The two men met on the same occasion last year.

Comments on Asian Games

OW201024 Beijing XINHUA in English 1018 GMT 20 Aug 86

[Text] Beijing, August 20 (XINHUA) -- China's participation in the forthcoming Asian Games to be held in Seoul does not indicate any change in China's position on South Korea.

A Foreign Ministry spokesman said this when responding to a question at the weekly news briefing here this afternoon. The spokesman said as a full member of the Olympic council of Asia, the Chinese Olympic Committee should fulfill its obligations and support activities held by the Olympic Council of Asia, including the Asian Games which is held every four years.

On USSR's Nuclear Moratorium

OW201044 Beijing XINHUA in English 1041 GMT 20 Aug 86

[Text] Beijing, August 20 (XINHUA) -- For an effective nuclear disarmament the two biggest nuclear powers should take the lead in stopping testing, producing and deploying nuclear weapons and greatly reducing their nuclear weapons, a Foreign Ministry spokesman said here today.

The spokesman made the remark at today's weekly news briefing when asked about China's comment on the Soviet Union's extension of its moratorium on nuclear testing annou ced recently by Mikhail Gorbachev.

The nuclear testing is not a totally isolated matter, the spokesman said, China hopes that the Soviet Union and the United States would hold talks on nuclear disarmament in earnest and reach an agreement that will truly benefit world peace and not harm the interests of other countries.

On Indochina Ministers' Communique

OW200944 Beijing XINHUA in English 0937 GMT 20 Aug 86

[Text] Beijing, August 20 (XINHUA) -- The communique of the recent Hanoi conference of the three Indochinese foreign ministers showed the Vietnamese authrities still lack the sincerity for a settlement of the Kampuchea question, a Chinese Foreign Ministry spokesman said here today. The spokesman made this remark when asked about China's comment on the communique ata weekly news briefing this afternoon.

"We've just read the whole text of that communique. Our first impression is that with regard to the Kampuchea question which most people are concerned about, the communique has only repeated what had been said before and has nothing new in content," he said.

While commenting on the Vietnamese side's declared "readiness to enter into negotiations anywhere with China at any level," the spokesman said "We've repeatedly stated that the fundamental obstacle to the normalization of Sino-Vietnamese relations is Vietnam's invasion and occupation of Kampuchea. So long as Vietnam refuses to give up its invasion and occupation of Kampuchea and withdraw all its aggressor troops from Kampuchea, there is no point in holding talks."

If the Vietnamese authorities genuinely desire for the normalization of relations between China and Vietnam, the spokesman said, they should consider in earnest the eight-point proposal put forward by the Coalition Government of Democratic Kampuchea for a political settlement of the Kampuchean question so that a fair and reasonable settlement of the Kampuchean question can be reached at an early date.

Referring to a question on China's attitude to the statement in the communique that Laos is ready at all times to normalize its relations with China, the spokesman said the Chinese Government and people highly treasure the traditional friendship between the peoples of China and the Laos, and have always stood for an early normalization of relations between the two countries and made unremitting efforts to this end. "We welcome the proposal put forward by the Lao Government for the normalization of the relations between the two countries on the basis of the five principles of peaceful coexistence," he said. "We hope that with the joint efforts of both sides, the friendly relations and cooperation between the two countries will be restored and developed at an early date," the spokesman said.

Hungary's Faluvegi To Visit

OW200750 Beijing XINHUA in English 0739 GMT 20 Aug 86

[Text] Beijing, August 20 (XINHUA) -- Lajos Faluvegi, vice-chairman of the Council of Ministers and chairman of the National Planning Office of Hungary, arrives here tomorrow for an 11-day visit to China at the invitation of Song Ping, Chinese state councillor and minister in charge of the state planning commission.

This was announced by a spokesman of the Chinese Foreign Ministry here this afternoon at the weekly news briefing.

The spokesman said, during the visit the two sides will exchange views on the economic situation, planning administration and economic and technological cooperation between the two countries and explore the possibility of further cooperation.

U.S. REJECTS SOVIET PROPOSAL ON NUCLEAR TEST BAN

OW182340 Beijing XINHUA in English 2332 GMT 18 Aug 86

[Text] Washington, August 18 (XINHUA) -- Washington today reacted to the Soviet extension of a unilateral nuclear testing moratorium by reiterating its long-held position that a moratorium is not in the security interests of the United States.

State Department spokesman Charles Redman said that the extension of the moratorium on nuclear testing "is an issue for the Soviet Union to decide." "As far as the United States is concerned, we believe that a nuclear testing moratorium is not in our security interests, nor that of our friends and allies," he stated.

Speaking on Soviet national television and radio today, Soviet leader Mikhail Gorbachev announced a decision to prolong the unilateral nuclear testing moratorium, which began a year ago and expired on August 6, until January 1, 1987. He also challenged U.S. President Ronald Reagan to sign a treaty banning all nuclear tests at a proposed U.S.-Soviet summit meeting sometime later this year.

This is the third time the Soviet Union extended its unilateral moratorium and the fourth time the United States refused to follow suit.

Washington cited difficulties in verifying compliance as the main reason for its refusal to join the Soviet moratorium, but officials of the Reagan administration said the real reason is that the U.S. needs some nuclear tests in developing Reagan's space-based missile defense system, commonly known as "star wars."

WANG ZHEN MEETS AMERICAN OPERA SINGERS

OW190710 Beijing XINHUA in English 0703 GMT 19 Aug 86

[Text] Beijing, August 19 (XINHUA) -- Wang Zhen, honorary president of the China Association for International Friendly Contacts, met with opera singers from the Metropolitan Opera House of the United States at noon today. He also attended a reception given in honor of the U.S. opera singers in the Great Hall of the People today.

SHANGHAI MAYOR MEETS CALIFORNIA DELEGATION

OW190824 Shanghai City Service in Mandarin 0000 GMT 19 Aug 86

[Text] The 72-member California medical science delegation from the United States, headed by Professor Gu Yanshi of the University of California, visited Shanghai from 15 to 17 August.

On the evening of 16 August, Jiang Zemin, mayor of Shanghai and chairman of its friendship association, and Liu Zhenyuan, vice mayor of Shanghai, met and held cordial talks with all members of the delegation.

Wang Daohan, adviser to the Shanghai Municipal Government, left Shanghai yesterday for a friendly visit to San Francisco at the invitation of John (Moritari), speaker of the San Francisco Assembly. Vice Mayor Liu Zhenyuan and others were at the airport to see him off.

NO CHANGE IN SOVIET 'EXPANSIONIST POLICY' SEEN

HK190159 Hong Kong WEN WEI PO in Chinese 19 Aug 86 p 2

[Editorial: "Gorbachev's Far East Policy"]

[Text] The travel-worn Gorbachev arrived in Vladivostok in the Far East at the end of July, where he delivered a major policy speech. What in fact was his scheme?

Some people say that the focus of Gorbachev's eastern trip was on developing relations with China and playing the "China card" as an extra bargaining counter with the United States. This view cannot be said to be without basis.

However, in choosing Vladivostok as the site for his Far East policy speech, Gorbachev was aiming not just at China but also at the United States, Japan, and Southeast Asia. Vladivostok is the Soviet Union's most easterly naval base; it is a major strategic base menacing the Asia-Pacific region. Gorbachev made a particular point of reviewing the Far East Fleet before delivering his speech. Afterwards he gave this Far East "peace offensive" speech, whose contents could be described as a mixture of hard and soft talk and bellicose and peaceful words.

This "peace offensive" speech was by no means devoid of new meaning. Regarding the United States, he criticized the iron military triangle of the United States, Japan, and South Korea, opposed the militarization of the Asia-Pacific region, and proposed forming in the region "a process of international security and mutual peaceful cooperation." The Soviet Union copied its method of making eyes at the U.S. Western European allies and opened up a new theater in the Asia-Pacific region by launching a peace offensive embracing Japan, Australia, New Zealand, and the five [as published] ASEAN states.

This "peace offensive" is supplemented by economic cooperation. The Soviet Union is preparing for large-scale economic development of its Far East region to fit in with the economic take-off of the Asia-Pacific region in the next 10 years. During his inspection of Vladivostok, Gorbachev pointed to previous "policy mistakes" for which "a tremendous price has been paid," and declared that "now is the time for a fundamental start in developing the Far East." Gorbachev hopes for economic cooperation with Japan and looks to the establishment of joint ventures. He also hopes to do plenty of business with China, Australia, and ASEAN.

The intention to withdraw forces from the Sino-Mongolian border and Afghanistan revealed by Gorbachev is also a bid to establish a new image in the outside world. Its role as peace propaganda is greater than practical action. However, the real Soviet motive is to break the deadlock and promote a dialogue. The United States and the countries of Asia are currently taking advantage of Gorbachev's stance to force the Soviet Union to draw up a timetable for total withdrawal from Afghanistan and to stop supporting Vietnamese aggression against Cambodia. If the Soviet Union lacks the slightest sincerity, its peace propaganda will go totally bankrupt. In the future the countries of Asia would not then need to take any notice of the Vladivostok speech, and still less could there be any talk of improving relations.

If dialogue is indeed beneficial for peace and development in Asia, the countries of the region should welcome the Soviet Union's readjusted Far East policy. After all, dialogue is better than confrontation for promoting stability in the Asia-Pacific region.

Taking a general view, the Soviet Union has still not revised its expansionist policy; it still covets the Korean port of Wonsan and seeks to occupy and use Cam Ranh Bay in Vietnam. Its domestic reforms and economic construction have been hampered and impeded by the expansionist policy. Gorbachev appears to be still unable to resolve the problem of hindrance by hardliners in the armed forces. His Vladivostok speech also had an internal role to play, on the one hand to reassure the hardliners and on the other to stretch out the olive branch with great caution, by retreating in some areas and maintaining the status quo in others, to test people's reactions.

Gorbachev's Vladivostok speech also had a global strategy intention: The Soviet Union is trying to reduce direct confrontation with the United States in the next 10 years and to speed up more in developing its economy; it wants to create differences between the United States and the Asia-Pacific countries and to maintain strategic parity. There is no change in the situation of Soviet-U.S. rivalry in Asia, but the forms of that rivalry are more complex and changeable. A situation of multipolar trends and pluralistic diplomacy will energe.

SOVIET MAGAZINE'S ANTI-CHINA ARTICLE CITED

HK200455 Hong Kong WEN WEI PO in Chinese 18 Aug 86 p 2

[Report: "After Gorbachev's Speech in Vladivostok, Soviet Magazine Still Carries Anti-China Article"]

[Text] Moscow -- Issue No 11 of the Soviet magazine KOMMUNIST (published on 6 August) carries an article by Heng Samrin, prime minister of the Cambodian puppet regime, which directly attacks China.

The article says: "The historic victory of 7 January 1979 smashed the schemes and intrigues of the Beijing ruling clique, which attempted to turn Cambodia into a base for realizing its hegemonist and expansionist ambitions on the Indochina peninsula and in Southeast Asia." "People are disappointed to see that China is pursuing an unfriendly policy toward Cambodia and other Southeast Asian countries and is trying to exert influence on the situation in this region." This article was published in an organ of the CPSU after Gorbachev's recent proposal to improve relations with China.

SINO-SOVIET BORDER RAILWAY MEETING ENDS

SK200528 Harbin HEILONGJIANG RIBAO in Chinese 3 Aug 86 p 1

[Text] The 1986 annual meeting of the Sino-Soviet Border Railway Joint Committee ended on 29 July after a 7-day session.

The Chinese and Soviet railway delegations summed up the fulfillment of the international coordinated transport task of the past year and the first half of this year. Members of the delegations unanimously maintained that both the Chinese and Soviet sides have made positive contributions. To fulfill the 1986 plan on the increased volume of goods to be transported through the international coordinated transport service, both sides discussed on the issues of improving transport organizations, and the handing over and the transshipment of goods, and signed a new protocol. Hua Maokun, head of the Chinese railway delegation and director of the Harbin Railway Bureau, and Ivanov, head of the Soviet railway delegation and director of the Far East Railway Bureau, signed the protocol. The Soviet delegation left Harbin for home on 29 July.

'KOREAN-CHINESE SIDE' PROTESTS DMZ FIRING

OW200732 Beijing XINHUA in English 0721 GMT 20 Aug 86

["Shooting Across Korean Demarcation Line Protested by Northern Side" -- XINNHUA headline]

[Text] Pyongyang, August 20 (XINHUA) -- South Korean soldiers last night fired more than 300 large-calibre machinegun bullets in the area of the mouth of the river Imjin at the western end of the military demarcation line between the North and the South of Korea, according to the KOREAN CENTRAL NEWS AGENCY (KCNA).

The South Korean side has carried out five such "armed provocations" since the beginning of the month, seriously threatening the safety of policemen of the Democratic People's Republic of Korea (DPRK), the agency said.

Yi Tae-ho, major-general and senior member of Korean-Chinese side of the Korean Military Armistice Commission, has shown grave concern over the latest incident in a protest to the United States and the South Korean side, the agency reported.

DPRK GROUP CRITICIZES U.S., SOUTH KOREA

OW191340 Beijing Domestic Service in Mandarin 1100 GMT 18 Aug 86

[Text] According to a XINHUA dispatch from Pyongyang, the Secretariat of the Committee for Peaceful Reunification of the Fatherland in Korea issued a memorandum on 17 August accusing the U.S.-South Korean authorities of aggravating tension and creating the danger of a war on the Korean peninsula. The memorandum pointed out that since the signing of the Korean Armistice Agreement, there have been more than 444,000 incidents in violation of the agreement by the United States and South Korea, and since 1989, the number of such incidents has averaged some 20,000 a year. On 5 and 9 August this year, the memorandum said, South Korean soldiers committed premediated military provocations by shooting at outposts in the North with large-caliber machineguns and automatic rifles.

The representatives of the Korean-Chinese side of the Korean Military Armistice Commission has, on many occasions since July 1985, proposed that heavy and automatic weapons be removed and all military installations and outposts dismantled from the area of the commission's headquarters, and the number of guards posted there be reduced. No agreement has been reached, however. The memorandum stressed that the U.S.-South Korean authorities must put an end to their military provocations and give an immediate response to this proposal.

KOREAN RED CROSS SENDS SYMPATHY MESSAGE TO JILIN

SK170241 Changchun Jilin Provincial Service in Mandarin 0930 GMT 16 Aug 86

[Text] Today the provincial Red Cross Society received a letter dated 5 August, transmitted by the Red Cross Society of China, from the Red Cross Society of Korea expressing sympathy for our province's flood disasters.

The full text of the letter reads as follows:

The Red Cross Society of China:

We have learned that Jilin Province has suffered great losses due to serious floods. The Red Cross Society of Korea hopes that the Red Cross Society of China will convey our cordial regards to the people in the disaster-stricken areas. We hope that Jilin Province will restore the losses caused by the flood disasters as soon as possible and the people will be able to live a normal life sooner.

WANG ZHEN MEETS JAPANESE GOVERNOR NAKAGAWA

OW190800 Beijing XINHUA in English 0752 GMT 19 Aug 86

[Text] Beijing, August 19 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, met with Heidayu Nakagawa, governor of Fukui Prefecture, Japan, and his party here this afternoon. Nakagawa is here leading a visiting youth friendship delegation from Kinki area, which arrived in Tianjin yesterday by sea. The delegation, comprising more than 500 members, will travel in seven groups to Xian, Inner Mongolia, Wuhan, Nanchang, Hangzhou, Nanjing and other places of China.

WANG ZHEN MEETS JAPANESE AMITY GROUP 19 AUG

OW191214 Beijing XINHUA in English 1149 GMT 19 Aug 86

[Text] Beijing, August 19 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, met here today Isao Masamune, president of the Japan-China (Northeast) Development Association, and his party. The Japan-China (Northeast) Development Association was founded by Japanese businessmen and entrepreneurs to promote economic and technical exchanges between Japan and northeast China.

RENMIN RIBAO ON INDOCHINESE MINISTERS' MEETING

OW201032 Beijing XINHUA in English 1006 GMT 20 Aug 86

["PEOPLE'S DAILY Lashes Out at Vietnam's 'Inreversible' Situation in Kampuchea" -- XINHUA headline]

[Text] Beijing, August 20 (XINHUA) -- Vietnam's claim on its "inreversible" situation in Kampuchea is simply an attempt to justify its continued military occupation of Kampuchea and its support for the Heng Samrin regime, a commentary in China's "PEOPLE DAILY" said today.

At the two-day 13th foreign ministerial meeting of Laos, Vietnam and the Heng Samrin regime that ended in Hanoi Monday, Vietnamese Foreign Minister Nguyen Co Thach spoke at length about stability and peace in Southeast Asia, but offered no change in Vietnam's policy on Kampuchea, the commentary said.

Eight years have passed since Vietnamese troops invaded Kampuchea. In Kampuchea, this is eight years of colonial rule the Vietnamese authorities have imposed on the Kampuchean people. Now that war flame is still buring in that country, farm land is devastated and massive resettlement of the Vietnamese and numerous Kampuchean war refugees have fled their homeland. [sentence as received] The acts of aggression in Kampuchea by the Vietnamese authorities have brought about great sufferings to the Kampuchean people, and posed grave threat to peace and stability of the countries in Southeast Asia. In facing of these facts, how could Vietnam have the right to talk about consolidating peace and stability in Southeast Asia or revitalizing and developing the situation in Kampuchea.

PEOPLE'S DAILY said the Kampuchean problem should be handled by the Kampucheans themselves. It called the eight-point peace proposals put forward by the Coalition Government of Democratic Kampuchea (CGDK) in March both reasonable and flexible, which can lead to a fair and peaceful settlement of the Kampuchean problem and which is truly helpful in promoting peace and stability in the Southeast Asian region.

The CGDK proposals calls for a two-stage withdrawal of Vietnamese troops from Kampuchea, the establishment of a four-party caretaker government, including the three resistance groups of the CGDK and the Heng Samrin faction, and U.N. -supervised elections. The proposal has the support of most nations of the world, the paper said, but was immediately rejected by Vietnam. The commentary labeled this rejection a "miscalculation" on the part of Vietnam.

The article said that the continued occupation of Kampuchea has created great difficulties for Vietnam both at home and abroad and has only strengthened the CGDK resistance forces, which are more united than ever before and operating far inside the country. Base camps of the Kampuchean resistance forces along the Thai border were overrun by Vietnamese forces during the dry season offensive of 1984-85. Since then, however, greater numbers of guerrillas have penetrated deep inside the country, moving the war into a new phase. Troubled by mass desertions from its army, the Hanoi-backed Heng Samrin regime is in a awkward position, the paper continued. The paper pointed out that the current situation in Kampuchea is developing towards the direction in favor of the Kampuchean patrotic forces but not of the Vietnamese aggressors. This is an irresistible trend, it concluded.

AGRICULTURE MINISTER VISITS THE NETHERLANDS

AU200901 Paris AFP in English 0856 GMT 20 Aug 86

[Text] The Hague, Aug 20 (AFP) -- Chinese Agriculture Minister He Kang is here on an eight-day visit at the invitation of his Dutch counterpart Gerrit Braks, the Agriculture Ministry announced Wednesday. Mr. He arrived Monday and is due to sign an accord with Dutch Foreign Minister Hans van den Broek before his departure next Tuesday. Mr. He's schedule includes visits to a brewery, unilever factory, and various agricultural enterprises.

XINHUA, PIO SIGN JOURNALISTIC COOPERATION ACCORD

OW191116 Beijing XINHUA in English 0930 GMT 19 Aug 86

[Text] Beijing, August 9 (XINHUA) -- An agreement on journalistic cooperation between the XINHUA NEWS AGENCY and the Press and Information Office (PIO) of Cyprus was signed here this afternoon.

According to the agreement, the two sides will exchange feature articles and news photos free of charge and on a regular basis, give easy access to the work of the correspondents and press delegations of the other side and encourage the exchange of visits by journalists and press officials of the two countries.

Pang Bingan, deputy director-general of XINHUA, and Kypros Psyllidhis, director of PIO, signed the agreement on behalf of their respective press organizations.

HU YAOBANG MEETS FRG AMITY GROUP PRESIDENT

OW181146 Beijing XINHUA in English 1124 GMT 18 Aug 86

[Text] Beijing, August 18 (XINHUA) -- China hopes to have long-term all-round cooperation with Federal Germany, Hu Yaobang, general secretary of the Chinese Communist Party Central Committee, said here today.

At a meeting with Thomas Heberer, president of the Association for German-Chinese Friendship of Federal Germany, Hu expressed thanks for the help the Federal German Government and public have given to China in economic development.

He hoped that economic and scientific and technological exchange be strengthened between the two countries.

The general secretary also answered his guest's questions in China's economic and political system restructuring and other matters.'

CSSR MINISTER INTERVIEWED BEFORE LEAVING FOR PRC

OW191416 Beijing XINHUA in English 1410 GMT 19 Aug 86

[Text] Prague, August 19 (XINHUA) -- Czechoslovak Minister of Metallurgy and Heavy Engineering Eduard Saul left Prague today for China on an official visit.

In an interview with XINHUA before his departure, Saul said he hoped that his first visit to China would further strengthen cooperation between the two countries in the metallurgical and engineering industries and promote the development of bilateral friendly relations.

Saul, 57, a machine-cutting expert, was appointed engineering minister in 1981.

GU XIULIAN, BULGARIAN VICE PREMIER SIGN ACCORD

OW160614 Beijing XINHUA in English 0542 GMT 16 Aug 86

[Text] Sofia, August 15 (XINHUA) -- China's only female provincial governor, Gu Xiulian, today signed a document with Bulgarian Vice Premier Ognyan Doynov on economic cooperation between her province of Jiangsu and Bulgaria.

Governor Gu, who is heading a delegation for an 11-day visit to this country, was received by Bulgarian head of state Todor Zhivkov and held talks with Bulgarian Premier Georgi Atanasov shortly after her arrival last Friday.

Zhivkov told Gu during the reception that he was looking forward to a closer relationship with China.

Under the document named "Minutes on Talks" which was signed this afternoon, enterprises in Bulgaria and Jiangsu Province will cooperate in the production of telecommunications equipment and computer keyboards.

The document stipulates that a joint working group will be set up soon to promote bilateral economic and trade ties. The group will meet at least once a year and is expected to hold its first meeting in Nanjing, the provincial capital of Jiangsu, at the end of this year.

During her stay in Bulgaria, the governor visited an electronics factory, a computer manufacturing factory, a motor plant, a machine tool plant, a shipyard, a tin plant, a large greenhouse and other industrial and agricultural enterprises.

SENIOR ENGINEER DISCUSSES CHINESE NUCLEAR SAFETY

HK190145 Hong Kong WEN WEI PO in Chinese 15 Aug 86 p 2

["Special Dispatch" from Vienna by reporter Huang Hsi-hao: "China's Senior Engineer Ren Changping Interviewed on Safety of Nuclear Power"]

[Text] In an interview with this reporter, Ren Changping, a senior engineer of the State Nuclear Safety Administration, pointed out: Before China started building nuclear power stations, it paid much attention to nuclear safety. It has so far issued a series of "safety rules" and "safety regulations regarding nuclear installations" in accordance with world standards so as to exercise necessary and strict supervision over its nuclear power stations. Moreover, it often sends personnel to countries that are advanced in nuclear technology to seek experience in an effort to raise the level of our nuclear technology and safety.

Ren Changping is now in Vienna to participate in the "meeting for drafting an international nuclear safety agreement," organized by the International Atomic Energy Agency. Present at the meeting are experts from 56 nations and 9 international organizations. Ren Changping is from the 5-member Chinese delegation.

He pointed out: As early as in the 1950's, China started engaging in nuclear research. In 1958, it built a nuclear reactor in the vicinity of Beijing for technical research. In the 1960's, nuclear reactors for military use were put into operation. China has now accumulated vast experience in nuclear industry. Besides its own nuclear bases, it has a strong nuclear technical force and extensive experience in this field.

Ren Changping said: In October 1984, China set up the State Nuclear Safety Administration to guarantee and supervise its land from becoming nuclear-polluted. Well before the establishment of the administration, it planned nuclear safety measures. The establishment of the administration is a more concrete measure for nuclear safety. With the help of the strong nuclear technical force of the country's nuclear research and design institutes, the safety of nuclear power plants can be guaranteed.

Ren Changping disclosed: In order to perfect its rules and regulations for nuclear safety, China has studied the relevant rules and regulations of other countries and the International Atomic Energy Agency. In light of its own experiences, the government this year issued some "safety rules," which have been approved by the State Council. Before these rules were issued, China invited experts from the International Atomic Energy Agency and from the United States, Turkey and other countries to give their views on them.

Ren Changping also pointed out: In recent years, the State Nuclear Safety Administration repeatedly dispatched its personnel to West Germany, the United States, France and other countries with advanced nuclear technology to learn how they assess and examine the safety of nuclear power stations. It will also send a large number of backup technical personnel to other countries to study nuclear safety. Meanwhile, those who will be sent to France for training should first learn how to operate nuclear power stations. Before they are assigned to work at the Daya Bay nuclear power station they should pass a tough examination. [paragraph continues]

Even when they are qualified to work there, the State Nuclear Safety Administration will organize periodic examinations for them so that they will be able to gain new insights through restudying old materials and to enhance their technical level. Ren Changping said: With such a strict training system; it is believed that the Daya Bay nuclear power station will not be confronted with problems.

DAYA BAY TO APPLY VOLUNTARY IAEA SAFEGUARDS

OW191543 Beijing XINHUA in English 1530 GMT 19 Aug 96

["China To Offer Nuclear Power Station to International Atomic Energy Agency for Safety Safeguard" — XINHUA headline]

[Text] Beijing, August 19 (XINHUA) -- China intends to offer its Daya Bay Nuclear Power Station being built in Guangdong Province to the International Atomic Energy Agency [IAEA] for safety safeguard. This was disclosed by Vice-Minister Zhou Ping of nuclear industry while meeting a delegation from the agency this evening. He also hosted a dinner in honor of the delegation, which arrived here yesterday for talks with the Chinese Government on the signing of an agreement on the voluntary offering of the nuclear power station to the agency for safety safeguard.

The vice-minister expressed satisfaction over the cooperation between China and the agency in work related to nuclear safety, such as drawing up safety standards, conducting safety appraisal and analysis and training of safety specialists.

SHANGHAI PAPER PRINTS CARICATURES OF DENG, HU

HK170400 Hong Kong SUNDAY MORNING POST in English 17 Aug 86 p 3

[Text] Caricatures of Chinese leaders Deng Xiaoping and Hu Yaobang have surprised the readers of two major newspapers in Shanghai.

This is the first time political figures have been depicted in cartoon form in the press in China since the Communist takeover in 1949.

Mr Deng appeared as a bridge player in a sketch entitled "The China Card" by young artist Zhang Weiping.

Holding a card bearing the words "Chinese-style modernisation," the political strongman looked thoughtful and in control, said the domestic CHINA NEWS SERVICE.

Party Secretary Hu Yaobang was depicted as a lively and compassionate conductor in veteran artist Ke Da's sketch titled "Comrade Yaobang conducting our new song."

Both caricatures appeared in the LIBERATION DAILY, which has a circulation of one million, and on the front page of a newspaper on Shanghai cultural affairs which also carried an editorial about caricatures.

The two works also went on display in a cartoon competition in Shanghai yesterday.

Observers in Shanghai art circles said the caricatures represented a break from tradition. Since 1949 no public figures have been depicted in cartoons.

HU YAOBANG ON LIFE OF DECEASED CPC LEADER

HK190139 Beijing RENMIN RIBAO in Chinese 15 Aug 86 p 4

[Article by Hu Yaobang: "In Deep Memory of Comrade Wang Jiaxiang"]

[Text] Editor's Note: This article is a preface, written by Comrade Hu Yaobang, to a book entitled "In Memory of Wang Jiaxiang," which was published by the People's Publishing House last year. The 15th of August of this year is the 80th birthday of Comrade Wang Jiaxiang. In order to commemorate Comrade Wang Jiaxiang and to learn from his revolutionary spirit, we publish the article here with the approval of the author. [end editor's note]

Shortly after the collapse of the "gang of four," a comrade asked me: Will you write an article in memory of Comrade Wang Jiaxiang? I answered: I will. However, I have so far failed to write it. In March this year, when Anhui was making preparations for publishing a collection of articles in memory of Comrade Wang Jiaxiang, Comrade Zhu Zhongli said to me: Since your position now is quite different from your previous positions and you are a busy man, just write a short inscription. I said: No! I will write an article.

I cherish a particularly deep memory of Comrade Jiaxiang in my mind not just because I worked directly under him and learned much from him between 1939 and 1944. What is even more important is that in a criticial historical period, he made glorious contributions to the party. In my opinion, our comrades, the young ones in particular, should learn from his life, and his revolutionary character.

Comrade Jiaxiang joined the revolution in 1925. He was then a secondary school student about 18 or 19 years old. Shortly after that, the party sent him to Moscow to study. He returned to China in 1930. In those 5 years, as a diligent student, he acquired much knowledge about Marxism-Leninism. However, because of his separation from the actual struggle in China, it was quite impossible for him to integrate various therories of revolution with the actual revolutionary practice in the country. At that time, Wang Ming made his 'leftist" dogmatic mistakes in Moscow. It is a pity that Comrade Jiaxiang was also involved in these mistakes.

In the summer of 1931, along with Comrade Ren Bishi and Gu Zuolin, Comrade Jiaxiang was assigned to the central revolutionary base. Shortly after that, he was appointed director of the Red Army's General Political Department, an important post. In this critical period of his life, he was good at mastering himself and was able to gradually shake off the "leftist" dogmatic mistakes. [paragraph continues]

He tried his best to approach Comrade Mao Zedong and modestly listened to Comrade Mao Zedong's ideas about the Chinese revolution. He was particularly impressed by Comrade Mao Zedong's rich experience in armed struggles. He diligently studied Comrade Mao Zedong's military theories and admired Comrade Mao Zedong's superb ability to direct military operations. At that time, thanks to Comrade Mao Zedong's positive influence on him and to his own ability to think independently, he was quickly becoming a mature Marxist-Leninist with a brand new outlook. Thus, when Comrade Mao Zedong was relieved of his military command in 1932 as a result of the adoption of an erroneous line, he was one of those who were actively against the decision. One can say that he dissociated himself from Wang Ming's line at that point.

After Comrade Mao Zedong was relieved of his command, Comrade Jiaxiang did not keep him at a distance. As a result, their revolutionary friendship grew. Shortly after the beginning of the Long March, Comrade Mao Zedong unflaggingly tried to persuade many central leading comrades alter the erroneous military line. Comrade Jiaxiang then unswervingly endorsed Comrade Mao Zedong's correct line and did much to help him lobby. At the Zunyi Conference, which was to bring about an important turn in the Chinese Revolution, he played an important role. When the Zunyi Conference was over, he and Comrade Zhou Enlai were two of the three members on the Central Military Committee helping comrade Mao Zedong command the whole army and engineer the Red Army's victorious strategic move.

In early 1937, the central authorities sent Comrade Jiaxiang to the Comintern to report to its leaders on the situation of the Chinese Revolution and on his personal opinions of the Chinese party leaders. Comrade Dimitrov endorsed without reservation our party's political views and policies and unambiguously stated that our party should have a central leadership core with Comrade Mao Zedong as its head. In 1938, Comrade Jiaxiang returned to China to relay the Comintern's correct opinion. This contributed much to our party's solidarity and unity.

For some time after 1938, Comrade Jiaxiang was a member of the party's central leadership core and he continued to be the director of the general political department. At the same time, as chairman of the North China and Central China Working Committees, he made many suggestions and helped Comrade Mao Zedong do much regarding the party, the Army, and the anti-Japanese bases. In addition, he drafted, or helped people draft, many documents on various policies. In the summer of 1943, in spite of his ill health, he wrote an article entitled "The CPC and the Road of China's National Liberation" to mark the 22d anniversary of the party's founding and the 6th year of the war against Japan. In this article, he tentatively discussed Mao Zedong thought. He was the first member of our party to formally introduce the scientific concept of "Mao Zedong Thought."

In the fall of 1947, because of his serious stomach and intestinal troubles, Comrade Jiaxiang was unable to participate in the preparations for the historically significant Seventh CPC National Congress. At that time, many representatives did not know him. Thus, he was not elected a member of the Central Committee. Later, thanks to an explanation offered by Comrade Mao Zedong, he was elected an alternate member of the Central Committee.

In 1947, when his stomach and intestinal troubles were over, he energetically accepted his new assignment, as the director of the Urban Work Section of the Northeast China Bureau. After the founding of PRC, he became ambassador to the Soviet Union. Since his return to China in 1951, he had been responsible for the Central Committee's international activities.

In 1956, at the "Eighth CPC National Congress," he was elected a member of the Central Committee and secretary of the Central Committee's Secretariat. He remained at these two posts until the outbreak of the "Cultural Revolution" in 1966. How should we evaluate his contributions? For 20 years, he had always been hard working and had always done what he was told. I cannot say that he was good at whatever he did. However, I must say that whatever he did, he did it with great dedication. One can say that what he did was based on careful consideration and that his work was fruitful. He raised many original suggestions concerning the party's international activities. Although some of these suggestions were not accepted at the time they were raised, however, we can now see that they were definitely correct and objectively far-sighted suggestions. When Lin Biao, Kang Sheng, Jiang Qing, and their gang accused him of practicing "revisionism," they were just framing him.

Generally speaking, what Comrade Jiaxiang did in the second half of his life was no less than what he did in the first half of his life. In fact, what he did in the second half of his life made what he did in the first half of his life appear in an even better light. At a meeting to merk the 60th anniversary of the party's founding, the central authorities decided on a list of 38 outstanding leaders of the party since its founding. Comrade Jiaxiang was one them. He deserved it.

As an outstanding revolutionary, Comrade Jiaxiang had a unique character. He never showed off, nor did he speak to others about his life. Even those comrades who know him well are not certain about his great contributions to the party. He gave no thought to how others criticized him for his personal mistakes and for the mistakes in the work done under his leadership. Even if people spitefully misrepresented things and vilified him, he kept his mouth shut and remained tolerant. It may have seemed that he had a weak personality. However, he was strict about his own work and with the comrades under his leadership and he clearly distinguished between what is right and what is wrong. This shows that he had a strong character. Whether in favorable or unfavorable circumstances, he gave no thought to his personal interests, he carefully and diligently worked, and strictly observed party discipline. He rarely chatted with others. What he said was brief and to the point. Perhaps, his infrequent contact with other comrades was one of his failings. However, he spent nearly all his spare time reading books and materials and thinking. He valued his time and he was eager to learn. He was strict with himself and he earnestly practiced what he preached. Sometimes, people might find him too serious. However, all those who had worked under his leadership or who had worked with him admired his talent, his judgement, his courage to shoulder responsibilities, his uprightness, and his impartiality with comrades. Special mention should be made of the fact that he was good at conducting investigations, on major issues in particular. He formed his own judgements independently and he never parroted others. He disapproved the "leftist mistakes the party had made, particulary in handling people, since its founding. In addition, he did not chime in with others although there were people criticizing him for this. He respect for Comrade Mao Zedong and his thankfulness to him remained until he passed away. However, when Comrade Mao Zedong in his remaining years made some major mistakes and kept some bad guys in important positions for a long time, he disagreed with him. However, he felt helpless because he did not remonstrate. That could have been the most unendurable agony in his life. In agony and with a troubled mind, he left us.

I was in my sickbed the day Comrade Jiaxiang passed away. On hearing the news that he had passed away, I was filled with grief. [paragraph continues]

Four months earlier, thanks to Comrade Mao Zedong's personal influence, he was once again elected a member of the Central Committee at the party's 10th National Congress. However, the "gang of four" stubbornly regarded him as a right-winger and a surviving "antagonist." Thus, they tortured him spiritually. Several days before Comrade Jiaxiang passed away, it was rumored among some comrades that I was suffering from cancer. Knowing that I was in a more difficult situation than he, he felt very unhappy on hearing the news. Breaking his promise that he would not leave his home again, he went to the hospital to see me in the company of Comrades Liao Chengzhi and Zhu Zhongli. Now, I can still recall clearly the scene then. I silently told myself that he had come with great courage to say farewell to me, a dying man. However, I did not expect that was our last meeting.

After Comrade Jiaxiang passed away, with regret, Comrade Zhongli told me how he had passed away. She said that on the day before he passed away, they were aware that the "gang of four" was starting a movement to "criticize Lin and Confucius." As a politically sensitive man, Comrade Jiaxiang knew that a new disaster that could destroy the party was approaching. He was worried, however, his health was apparently unaffected. Thus, after helping him go to bed, she returned to her own bedroom. The next day, when she tried to wake him up, she discovered that his body was as cold as ice.

Ten years have passed almost without being noticed since Comrade Jiaxiang passed away. Now, I am writing this article to express my sadness about the death of an old revolutionary I have always respected and to indicate that, along with our comrades, I will inspire myself with the great spirit of thousands upon thousands of revolutionary pioneers.

RENMIN RIBAO CHERISHES MEMORY OF ARMY VETERAN

HK190823 Beijing RENMIN RIBAO in Chinese 10 Aug 86 p 5

[Article by Yang Dezhi and Hong Xuezhi: "Unshakable Faith, Militant Life -- Cherishing the Memory of Comrade Zhou Chunquan"]

[Excerpts] A year or more has elasped since Zhou Chuquan, a long-tested fighter for communism and an outstanding general of our army, passed away. Chunquan was a veteran comrade who joined the party at the time of the Great Revolution in China. [passage omitted]

During the long revolutionary war years, Comrade Chunquan fought countless battles, braved untold dangers, and feared neither hardship, difficulty, nor sacrifice. He left an extremely deep impression on many veteran comrades and comrades-in-arms. [passage omitted]

During the recovery period of southern Liaoning in 1947, he vigorously implemented the related central instructions and contributed much to fully arousing the masses to carry out the campaign of reduction of rent and interest and land reform, restoring railroad transportation and factory production, establishing democratic regimes, and in expanding base areas. On the eve of the Liaoxi-Shengyang Campaign, in order to ensure victory, Comrade Chunquan who had just had an operation on his right eye, which had been hit by a shell fragment during the Long March and which was still swollen, immediately went to the Hebei-Chahar-Rehe-Liaoning Region to inspect and make arrangements for logistic supply work. [paragraph continues]

LIAOWANG ON NATIONAL SOFT SCIENCE FORUM

HK180339 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 32, 11 Aug 86 pp 6-7

[Article by LIAOWANG reporter: "The Chinese Leadership Stratum Attaches Major Importance to Making a Democratic and Scientific Process out of Policy-making"]

[Text] The State Scientific and Technological Commission held a national forum on research in soft sciences in Beijing from 27 to 31 July. On the closing day of the forum, Vice Premier of the State Council Wan Li delivered a speech entitled "Introduction of a Democratic and Scientific Policy-making Process Is an Important Aspect of the Reform of the Political Structure," attaching deeper significance to the efforts to speed up introduction of a democratic, scientific, and systematized policy-making process.

Draw a lesson from past experience, effect a change in the policy-making procedure

New China has been facing arduous tasks regarding economic construction since its founding. Due to unsound policy-making procedures, state leaders formulated policies based on their knowledge, experience, and wishes, and thus committed some major mistakes in the past. For example, the initiation of the "Great Leap Forward" was a wrong decision that caused inestimably heavy losses. The wrong policies pursued during the 10 years of the "Cultural Revolution" have brought formidable calamities to the country and the people and left a far-reaching pernicious influence which we today still have to exert great efforts to clear away. Fortunately, the correct policies adopted since the 3d Plenary Session of the 11th CPC Central Committee have brought new hope of revitalization to the Chinese nation.

The Chinese state leaders have drawn profound lessons from both positive and negative experiences and found that it is necessary to make a radical change in the policy-making procedure and to introduce a democratic and scientific policy-making procedure. And it is under such circumstances that research in soft sciences emerges in China.

The role of soft sciences is to provide consulting services, carry out feasibility studies, draw up plans, and make prospect forecasts on various issues emerging in social development concerning the political, economic, cultural, military, and other fields, and to place the policy-making process on the basis of accurate scientific argumentation, by making use of systems engineering and other related modern scientific theories such as operational research, information theory, and cybernetics, with the aid of electronic computers, data bases, office automation facilities, and so on.

Since the 3d Plenary Session of the 11th CPC Central Committee, Chinese state leaders always extensively solicit opinions from various circles, especially from among scientists, whenever they are going to make an important decision. In March 1981, Hu Yaobang called a group of economists including Ma Hong to discuss how to organize natural and social scientists to forecast China's development in 2000. In May of the same year, Zhao Ziyang, premier of the State Council, set up a consultative organization -- the Economic, Technological, and Social Research Center under the State Council, which is to make scientific analysis and forecasts regarding the feasibility of major technological and economic measures to be taken and of key construction projects to be started by the state. [paragraph continues]

This center organized more than 10,000 scientists and researchers to participate in a great project which resulted in research reports with a total length of about 10 million covering various aspects of China by the year 2000, such as population, employment, economy, consumption, science and technology, education, natural resources, environment, communications and transportation, and international environment. A research report entitled "China in the year 2000" was finally completed in 1985.

During the same period, the No 710 Research Institute affiliated to the Ministry of Astronautics Industry and the State Commission for Structural Reform. in cooperation with some other units, completed the research projects concerning the optimal mode for state macroeconomic control and the mode for comprehensive balance between financial subsidy, price, and wages. The results of the first research project has been used as an important reference in the drafting of the Seventh 5-Year Plan (1986-1990). Highly appreciating the first research project, Premier Zhao Ziyang pointed out that the forecast of economic development with the help of economic modes should be constantly improved. In the late 1970's, supported by some scientists and economists such as Qian Xuesen, Hua Luogent, and Xu Dixin, a group of specialists in control theory headed by Song Jian, who is currently holding the post of state councillor and minister of the State Scientific and Technological Commission, made a forecast on China's population and a study of population control, and thus provided a scientific basis for the formulation of the population policy. Moreover, Chinese scientists have also made studies of the new technological reform and China's policy in response to it, have initiated more than 10 major research projects concerning scientific and technological reform, and have made a comprehensive appraisal and study of the Sanxia project, a study of the strategy for rural development, and some surveys concerning geographical and industrial development strategy.

However, all these achievements simply show that China has just made a beginning in the study of soft sciences. All the participants in the soft science forum have agreed that the needs arising from the current national construction can only be met by vigorously promoting soft sciences. China has a large population and a vast territory. The development of different parts of the country is extremely unbalanced. In addition, the modernization program, the process of opening up to the outside world, and the reform of the economic structure have placed before us arduous tasks that had never been encountered in the past. All the above circumstances make the policy-making still more difficult. Therefore, today's problems can no longer be tackled by individual leaders with their old methods based on their outmoded experience. A little careless decision and a minor mistake may cause irremediable serious losses. Therefore, for the moment our task of top priority is to vigorously promote research in soft sciences and change our policy-making procedure.

Changing the Old Policy-making Procedure Is an Important Link of Reform of the Political Structure.

In his speech delivered at that forum, Vice Premier Wan Li emphasized that it is necessary to make the changing of the old policy-making procedure an important link to the reform of the political structure and it is necessary to turn soft science research into popular and socialized activities.

In its long-term struggle, the CPC has also found effective policy-making procedures, such as the mass line of "from the masses and to the masses;" the leadership method according to which "the masses' ideas are solicited and put together, and then persevered in and carried out;" the working method of selecting typical cases, initiating pilot projects, conducting studies and investigations, and making case analysis; and so on. [paragraph continues]

These methods are, however, far from enough to meet the actual needs since we are now facing a greater variety of more difficult tasks and, at the same time, the study of policy-making procedure has already become a discipline of science.

In this connection, Vice Premier Wan Li pointed out at the forum: Due to the backward state of science, culture, and education in China, the unsound legal system, the flaws regarding the quality of cadres, and the deficiency of democracy, so far China still has not established a whole set of rigid systems and procedures with regard to policy-making and is still short of a set of sound supporting, consultative, assessement, supervisory, and feedback systems for policy-making. Therefore, we can neither judge whether a policy is in keeping with scientific principles nor promptly and efficiently discover and control mistakes regarding policy-making. Today, the practices of blind and rash policy-making by some leaders based on their personal experience are still quite common and widely accepted. It is high time that we did away with such practices. Without solving this problem, our socialist system will remain unsound and our country's economy will hardly be able to develop continuously and steadily. The solution to this problem is one of the essential aspects of our reform of the political structure. The fundamental purpose of soft science research is to step up the introduction of a scientific and democratic policy-making process and to change the outmoded and benighted policy-making concept and methods left over by a feudal society which lasted over a long time.

Presiding over the forum, State Council and Minister of the State Scientific Commission Song Jian said: Historical experience has shown that courage and resolution are important factors in the policy-making process. However, without scientific data in support of them, they will turn out to be something emotional and delicate which is vulnerable to the influence by one's character and prejudice. Song added: In the course of reform, when a policy is emerging, there are always some people supporting, casting doubt upon, or opposing it. If we fail to make a macroscopic analysis and do not have a clear understanding of the general trend, we will lose our ability to distinguish right from wrong under the pressure of varying opinions.

Leaders Must Foster a Good Work Style by Respecting Science and Democracy

The participants in the forum held that leadership is a key link to the introduction of a scientific and democatic policy-making process. In this connection, Vice Premier Wan Li set forth in his speech some requirements for leading people at all levels. He held that the quality of our leading cadres at all levels is in general good. All of them have the basic quality and capability for exercising leadership. However, many cadres have a common shortcoming, namely, they lack the concept of and quality for scientific and democratic policy-making. Wan Li demanded that cadres at all levels study hard to get rid of the small producers' narrow views and shallow ideology and foster a good work style by respecting science and democracy. He criticized some leading cadres, for they have failed to conscientiously draw lessons from the sufferings that wrong policies had inflicted upon the state and the people, and they seldom make friends with, and even discriminate against, intellectuals and those with rich working experience. He said: It is necessary to encourage leading people to regularly exchange views and information and discuss questions with research personnel and those with rich working experience on an equal footing and in a democratic manner. Every leader should have several friends with deep insight and great courage, especially several real friends who dare to voice different opinions and give forthright admonitions.

Wan Li said: Research in policies is a task which bears a great risk. If a policy does not work well, leaders, rather than the research personnel, will be the first to be held responsible.

Create a Political Environment in Which People Can Consult With Each Other on an Equal Footing and in a Democratic Manner

In his speech, Wan Li particularly emphasized that the development of scientific theories, first of all, needs a political environment in which people can consult with each other on an equal footing and in a democratic manner. We must let others speak freely and allow others to voice different opinions or even criticize us. Soft sciences are a kind of creative mental labor which involves both academic and political activities. A high degree of freedom of academic activities can ensure independent thinking and an exchange of views, and thus brilliant ideas will spring up. Also, only a high degree of political democracy can encourage people to speak freely, frankly, and vehemently.

Wan Li said: A leader may disagree with researchers' views, reject their conclusions, or turn down their proposal. But he cannot force them to change their views and revise their conclusions against their convictions so that their views and conclusions will cater to his needs. In order to more firmly ensure that a democratic and scientific policymaking procedure will be established in China, we must make use of the legislative means to provide legal protection for policy researchers, so as to gradually turn the policy-making procedure into a rational system.

Wan Li also emphasized that in order to create a political environment in which people can consult with each other on an equal footing and in a democratic manner, it is necessary to steadfastly implement the policy of "letting a hundred flowers blossom and a hundred schools of thought contend." This policy, which should be taken as the strategic guideline for the political development, ideological and theoretical studies, and cultural development of China, is the important hallmark of a high degree of socialist democracy.

CHING PAO ON BEIDAIHE, DENG'S REFORM PLANS

HK191005 Hong Kong CHING PAO in Chinese No 109, 10 Aug 86 pp 86, 87, 104

[Article by special correspondent Wen Chieh: "With Deng Xiaoping Being Concerned About Three Major Issues and Xiang Nan Responsible for Ideological Research — Beidaihe, the Summer Capital, Is Busy With Activity" -- capitalized passages published in boldface]

[Text] The Three Major Topics for Discussion at the 6th Plenary Session of the 12th CPC Central Committee

There have already been many signs demonstrating that the 6th Plenary Session of the 12th CPC Central Committee to be held in September will be an unusual conference. This is because the overall reform carried out by the CPC has arrived at a critical stage and some important issues must be resolved urgently. IT IS EXPECTED THAT THE FOLLOWING ASPECTS WILL PERHAPS BE DISCUSSED AND DECIDED IN THE SESSION:

-- The extremely pressing political structural reform has been formally placed on the agenda. The targets, modes, methods, and steps of the reform need to be prudently studied and discussed. The breakthrough point should be a division of labor between the party and government.

-- As the building of socialist spiritual civilization has already been raised to a more important level, a programmatic document and more effective measures are needed.

-- Before the 13th party congress, some of the personnel arrangements in the leading organs of the party and government will be readjusted.

The Three Major Decisions of the CPC Higher Level

According to information from Beijing, the CPC Central Committee is vigorously making preparations for the convening of the plenary session in September. At present, there have already been several work groups conducting investigation and research. Under the leadership of the CPC Secretariat, A LEADING GROUP FOR THE POLITICAL STRUCTURAL REFORM HEADED BY HU QILI AND WANG ZHAOGUO, HAS BEEN NEWLY FORMED. MOREOVER: THE THEORETICAL RESEARCH GROUPS OF THE CENTRAL PARTY SCHOOL AND THE ACADEMY OF SOCIAL SCIENCES OF CHINA HAVE ALSO BEEN MOBILIZED TO PARTICIPATE IN THE RESEARCH AND PLANNING. ANOTHER ASPECT WHICH MERITS ATTENTION IS THAT THE WORK OF THE CENTRAL PROPAGANDA, DEPARTMENT HEADED BY ZHU HOUZE is becoming more and more active. Beginning from early June, the Central Propaganda Department has called a series of symposiums to solicit opinions from cultural and press circles, IN AN EFFORT TO MAKE PREPARATIONS FOR DRAFTING SOME DECISIONS ON STRENGTHENING THE BUILDING OF SOCIALIST SPIRITUAL CIVILIZATION. It is also disclosed that A THEORETICAL RESEARCH LEADING GROUP MAKING DARING EXPLORATIONS AND REFORMS IN THE REALM OF IDEOLOGY HAS ALSO STARTED WORKING IN ZHONGNANHAI. THIS GROUP IS MAINLY HEADED BY XIANG NAN, THE FORMER FUJIAN PROVINCIAL CPC SECRETARY AND A NOTED PRAGMATIST AMONG THE REFORMERS.

All this work, investigation, research, and planning focus on the tasks of the CPC plenary session in September and the 13th party congress; it is expected that before the convening of the plenary session in September, the leaders of the CPC higher level will meet for a period in Beidaihe to listen to reports and discuss decisions.

The Summer Capital Will Attract Attention

At present, the summer offices of the CPC Central Committee in Beidaihe have already been opened. These offices include the General Office of the CPC Central Committee, the General Office of the State Council, and the offices of the NPC Standing Committee and the CPPCC. These offices are all in the Xishan District of Beidaihe, which is the scenic (sacred) spot of this seaside summer resort. Villas, gardens, bathing beaches, and office buildings spread all over the place. In the past, Mao Zedong, who was fond of sea bathing, and Lin Biao, who was the best at engaging in covert activities, regarded this place as their exclusive domain, posted heavy security guards and built special roads leading to Shanhaiguan Airport and Beidaihe Railroad Station. At present, this forbidden area has been partially opened to tourists and the ordinary workers and staff vacationing here. Although being allowed to visit the Lianfengshan Park and some sections of the Zhonghai Beach, these people should avoid visiting places with "No visitors!" signs and security guards. The center of the group of buildings which basically forms a "summer capital" is a large auditorium previously called "the club of the CPC Central Committee" and now called "the small Great Hall of the People." [paragraph continues]

Those people who serve the high officials of the central authorities are stationed in the several large buildings nearby. These high officials and their relatives all have their own secret garden villas.

Exactly a year ago, while all the important high officials were meeting in the summer capital of Beidaihe to discuss the important personnel arrangements to be made at the national party congress, I once paid a visit to this forbidden area and it made a deep impression on me. The tourist season last year started early; and it was said that the staff of the central organs from Beijing began successively to man the offices in early June. Because this year's summer started relatively late in the north, and there has been more rainfall lately, the temperature so far still remains around 30 degrees centigrade. Therefore, although the dog days started on 15 July, most of the CPC high officials are still working in Beijing. Last year, it was Deng Xiaoping who arrived first in Beidaihe and he did not leave until late August. Because of their tight schedules, Hu Yaobang and Zhao Ziyang were the last officials to come to Beidaihe. In fact, they did not really enjoy the cool weather here but shuttled between the capital and the summer capital. It is expected that their whereabouts this year will depend on their division of labor. As Deng Xiaoping is the key figure at the decision-making level, with his moving elsewhere, undoubtedly the news from Beidaihe in the next month or so will attract people's attention.

Mr Deng Is Concerned About Three Major Issues

In the first half of this year, a very grave social and economic situation arose on the mainland. The development rates showed obvious signs of stagnation; the total industrial outpout value fell by 18.2 percent against the corresponding period last year; the foreign trade deficit reached $6.2 billion; foreign exchange was in great demand; state revenue fell short of expenditure; the issues of commodity prices and wages became more and more prominent; and the crime rate was on the increase, with juvenile delinquents accounting for three-fourth of criminals. In the face of these issues, the CPC authorities called various meetings to work out measures. It is said that after listening to the reports of Zhao Ziyang, Hu Qili, and the members of the secretariat responsible for economic and legal work, Deng Xiaoping gave three instructions which have not yet been completely disclosed to the outside. IT IS SAID THAT DENG XIAOPING IS PAYING CLOSE ATTENTION TO: THE ISSUE OF GRAIN, THE ISSUE OF FOREIGN EXCHANGE, AND THE ISSUE OF POLITICAL STRUCTURAL REFORM, WHICH HE EMPHATICALLY POINTED OUT.

The Grain Issue Should Not Be Taken Lightly

As everybody knows, Deng Xiaoping's line of reform is to proceed from the rural areas to first of all enable the 1 billion population to have enough to eat and wear. Only after the people have enough to eat can the social economy be invigorated. This is the most fundamental factor for stability and unity. Through the efforts over the last 5 years, the issue of attaining sufficiency in food and clothing has been basically resolved. However, as the ration system for grain and oil (among the over 200 million nonagricultural population) still cannot be abolished and relief grain and subsidy grain still have to be sent to some areas, it shows that this issue still has not been really resolved. In particular, because the output of grain tended to drop by a big margin last year, grain was in short supply in the first half of this year and few people in rural areas raised pigs. This is related to cause such as that the productive forces in the rural areas are moving to the urban areas; the areas under cultivation are shrinking; the progress of rural production techniques is slow; the investment in capital construction on farmland is insufficient; the capability for meeting disasters is poor; and so on. [paragraph continues]

DENG XIAOPING SAID THAT THIS IS A MAJOR ISSUE WHICH IS PARTICULARLY WORTHY OF ATTENTION AND SHOULD NOT BE TAKEN LIGHTLY. His aim is to make grain output reach 960 billion jin and per-capita output reach 800 jin by the end of this century. Therefore, over 10 billion jin of grain must be added per year. Otherwise, the passive situation of importing millions of tons of grain will reappear, thus affecting the economic rate of development. In other words, only by proceeding from the reality on the mainland can the people attain sufficiency in food and clothing and reach the level of a comparatively well-off life. The issue of agriculture always affects the situation of reform as a whole.

A New Stage of Opening Up to the Outside World

Foreign exchange is the second issue followed with interest by Deng Xiaoping. In fact, this issue has reflected some confusion in the work of foreign economic relations and trade. It is a major problem that the policy of opening up to the outside world lacks attraction and vitality and affects economic development. Last year, the economy was overheated, foreign exchange was out of control, and a large number of high-class consumer goods were imported blindly. Moreover, because of the problems in the aspects of quality, markets, price, and so on, the export rate of commodities did not increase much; the foreign trade deficit was as high as in excess of $10 billion; the foreign exchange reserves dropped by a big margin. In the first half of this year, although foreign exchange controls were strengthened to bring the import of commodities under strict control, the foreign trade deficit still amounted to over $6 billion. It is expected that the mainland's total import and export volume this year will, at best, reach about $60 billion. As there is not much potential, the future is not promising.

Deng Xiaoping must be so dissatisfied with this state of affairs that he personally asked about it and gave instructions. He knows that the cause of both the foreign exchange and foreign trade problems lies in the low efficiency of production and business management, the low quality of products, and the poor capability for earning foreign exchange through export. It has become a task of top priority to resolve these problems. The main way is still to proceed from the economic and political structural reforms and to make substantial progress in invigorating the domestic economy and opening up to the outside world.

Observers in Hong Kong believe that IN HIS SEVERAL LATEST REMARKS TO REVEAL THE TENDENCY OF THE MOVEMENT OF POLITICAL REFORM, DENG XIAOPING HAS ALWAYS STRESSED CONTINUING THE IMPLEMENTATION OF THE POLICY OF OPENING UP TO THE OUTSIDE WORLD. This might mean that the Chinese Government will apply the strong point of the flexibility of its diplomatic policy to seize opportunities to further its economic and trade cooperation with Eastern and Western countries. Hu Yaobang and Zhao Ziyang visited in succession 10 countries in West Europe, East Europe, and the Mediterranean region. These are not the usual diplomatic trips.

Meeting of CPC Political Bureau Standing Committee Discusses Division of Work Between Party and Government

Foreign reporters once reported that Deng Xiaoping disclosed for the first time when meeting with the Korean party and government delegation on 12 July that the CPC will carry out reform of the political structure. As a matter of fact, as early as on 10 June, he had already instructed the Secretariat of the CPC Central Committee to carry out a reform of the political structure. [paragraph continues]

Later, AT A MEETING OF THE STANDING COMMITTEE OF THE POLITICAL BUREAU OF THE CPC CENTRAL COMMITTEE, HE ALSO TALKED ABOUT THE NECESSITY AND IMPERATIVENESS OF THIS REFORM. IT WAS SAID THAT THIS MEETING MAINLY DISCUSSED THE QUESTION OF THE DIVISION OF WORK BETWEEN THE PARTY AND THE GOVERNMENT. It seems that this important reform in the realm of the superstructure has already been placed on the agenda.

As a matter of fact, as early as on 18 August 1978, a little more than a year after he resumed office and took charge of state affairs, at an enlarged meeting of the Political Bureau of the CPC Central Committee, Deng Xiaoping had already proposed that the leadership system of the party and state should be reformed and that problems such as making no distinction between party and government, the party acting in place of government, overcentralization of power, and the life tenure and patricarchal systems of leading cadres should be solved. From this we can see that at the very beginning of implementing his line of reform, Deng Xiaoping already attached importance to the reform in some major aspects of the political field. Over the past 6 years or so, great achievements have been made in our efforts to streamline party and government organizations, simplify administration and transfer power to lower levels, and reform the cadre sytem. This provides a guarantee for and gives an impetus to the overall refrom.

Whether Reform Can Succeed Depends on the Political System

Since China's reform has been pushed forward from the countryside to the cities and the overall reform, with reform of the economic structure as the center, has been carried out in depth, it is inevitable that the existing political structure, which cannot suit the reform in many respects and on many questions, has also been pounded at. Although the reform of the leadership system of the party and state is very important, it is still not a thorough reform of the political structure. The malpractices of bureaucratism mentioned by Deng Xiaoping 6 years ago still exist widely in the political life of our party and state. At that time, he gave the following 24 descriptions of the bureaucratists: standing high above the masses, abusing their power, divorced from reality, divorced from the masses, fond of putting up a facade, indulging in idle talk, rigid in thinking, sticking to old conventions, overstaffing, having more hands than needed, dilatory in doing things, inefficient in work, irresponsible in work, breaking promises, committing red-tapeism shifting responsibility onto others, acting with bureaucratic airs, liking to reprimand others, liking to retaliate against others, suppressing democracy, deceiving superiors and deluding subordinates, imperious and despotic, giving bribes in order to seek private interests, and taking bribes in disregard of the law. It was said that at the recent meeting of the CPC Central Committee, Deng continued to criticize these malpractices. It is obvious that the feudalist system which gives birth to these rotten phenomena in the political and ideological fields and the political structure characterised by overcentralization of power should not be continued any longer.

As to the steps and measures the CPC will take in reforming the political structure and the goal to be reached, it is still not clear, because it is all under discussion at present. Take the division of work between party and government for example. Under socialism, the pattern of leadership of the ruling party is that the party rules over the government and the party secretary takes care of everything. If government administration is separated from the party, how can the absolute leadership of the party be ensured and implemented? ANYHOW, HIS EXCELLENCY DENG HAS MADE THE FOLLOWING REMARKS: WHETHER THE REFORM IN CHINA CAN SUCCEED DEPENDS ON THE REFORM OF THE POLITICAL STRUCTURE. Some people in the know reveal that Deng Xiaoping has pretty good ideas on this. Now, he and his brain trust are devising strategies in Beidaihe.

It is very likely that in the near future, a new strategic idea, something like the idea of "one country, two systems," may be put forth -- establishing a perfectly democratic and highly efficient political structure in China. It may become the greatest news in the international political arena in this century.

WEN HUI BAO SUMMARIZES VIEWS ON POLITICAL REFORM

OW191901 Shanghai WEN HUI BAO in Chinese 8 Aug 86 p 3

["Roundup of Viewpoints on Political System Reforms Most Recently" by Xia Xiaolong]

[Text] The overall reform of the economic structure and the rapid economic and cultural developments in China are fiercely battering the existing political system which has hampered the continuous reform of our economic structure. Therefore, issues regarding reform and the development of the political system have aroused the attention of a large number of theoreticians. Recently newspapers and journals have carried some articles regarding the reform of the political system. The following is a roundup of the main viewpoints in relevant articles:

1. Regarding the Significance of Political Structural Reform

The significance of reforming the political system lies in the pressing need to reform the political system. Everyone seems to share identical views on this issue. The reform of the economic structure calls for the reform of the political system. At the same time, political system reform guarantees economic structural reform. All this shows:

First -- Reform is closely connected with improvement in the leadership system.

Second -- Reform is related to improvement in state organs and to development of a new economic system.

Third -- Reform is related to improvement in the cadre system and to the fact that reform of the political system organizationally guarantees reform of the economic structure.

Fourth -- By improving the democratic system, we will be able to stir up enthusiasm and creativeness in the masses and offer those who carry out reform inexhaustible strength.

Some articles pointed out: In order to raise the efficiency of government organs and to strengthen and develop socialist democracy and the legal system, we need to reform the political system. For a long time, many of the malpractices in our political life have stemmed from the part of our existing political system which is not suited to our economic base. Therefore, we must carry out reform as soon as possible.

Some of the articles state: Reforming the political system guarantees development in spiritual civilization. Spiritual civilization is part of the superstructure. [paragraph continues]

Since it is restricted by the economic base, it is also influenced by other factors in the superstructure including politics and law. Therefore, in the course of developing China's socialist spiritual civilization, we must not only rely on the development of our economy, but also depend on the improvement of our political system.

Some of the articles pointed out: The rapidly developing economy, science and technology, society, and culture in our era require reform in the political system. Political system reform is being carried out in many countries in the contemporary world. It has become a special feature of our era. By looking back on our course since the founding of the nation, particularly the "Cultural Revolution," some of the authors have even more clearly realized that reform in the political system has become an irresistible historic trend.

2. Regarding the Overall Target of Political System Reform

People with one idea in mind hold that in working out the overall target in reforming the political system of a socialsit nation, we must rely on the following:

— Requirements set by the economic structural reform or a re-established pattern in economic construction for reforming the political system;

— Essential requirements set by the state system and the government system under which the people are the masters of the nation for reforming the political system; and

— Specific condition and environments of the state.

Particularly, traditional ideologies greatly affect the political system. They are the objective factors that we must take into consideration in determining the pattern to reform the political system. Therefore, China's overall target in reforming the political system from now on, and for a long period to come, is to oppose feudalism, overcome bureaucracy, and practice democracy in the leadership system, and in various political activities, to strengthen democratic management over economic life in the whole society.

Those with another concept hold: In reforming China's political system we must tackle the ussue of over-concentration of power. Our main task is to establish a highly democratic socialist political system and a scientific political system in policy making. They believe that from a long-term view, reform of the political system involves the following four issues: the division of power among various regions; the division of power between organizations at the higher level and those at the lower level; the division of power between government organizations and the organs in society; and the degree of people's involvement in political policy-making. Since 1979, it is precisely on the basis of these four issues that our political system has been reformed.

Another viewpoint specifically interprets the reform of political system as raising the efficiency and democratization of the political system. This viewpoint proposes that merging the economic function with the political function into a contemporary political system determines that the reform of China's political system has two implications. One implication is that reform in the government system menas administrative reform; the other is that reform in the system of political power means political reform.

Therefore, the dual nature of the connotation of political system reform determines the dual nature of the goal of China's reform in the political system -- one is the high efficiency of our government system, the other is the democratization of the political power system. These are two aspects of the general goal in reforming the political system. They supplement each other, and the realization of one aspect relies on the development of the other aspect.

3. The Basic Assumption About Government System Reform

One viewpoint points out: It was when China reformed the economic structure that government system reform was first advocated. Various abuses (such as overconcentration of power, overstaffed organizations, and bureaucracy) existing in the current government system are gravely obstructing the continued penetrating development of the economic structural reform and greatly lowering the efficacy of the government system.

Therefore, to raise the efficiency of the government system, the main orientation of reform is: first, the division of power relationships; second, improvement in the cadre system; third, the establishment of government organizations; and fourth, the reform of government in operation. This viewpoint regards the abovementioned four aspects as a task of top priority in the reform of China's current political system.

Still another viewpoint believes that the key to government system reform lies in the change of government functions. The more we "streamline" our administrative structure, the larger it becomes; the more we "simplify" our government affairs, the more complex they become; the more personnel we "curtail," the more overstaffed our organizations and the less efficient they become. Why? This is directly and principally because, for years the pattern in our economic structure has had no fundamental changes, and the functions of government organs have had no major changes.

Therefore, this viewpoint holds that except for the human factor, that is, the personnel system, we should reform the government system by changing functions first and reforming administrative structure later. Specific steps to be taken include: First, replace direct control with indirect control, and strengthen comprehensive management departments; second, perfect the socialist pluralistic market system, step by step, and strengthen supervisory departments; third, define incumbent government and enterprise duties, simplify the administrative structure and delegate power to lower-level organs, and greatly cut down and merge specialized management departments.

4. The Basic Assumption of Political Power Reform

Reform of the political power system and reform of government system supplement each other. They jointly compose, in a general sense, the political system reform. We call for a highly efficient government system to coordinate with and spur on economic structure reform. In addition, we also call for a democratized political power system to consolidate and develop our economic structural reform. Therefore, viewed from a democratized political power system, the basic orientation of reform is: 1) correctly solving the question of party-government relations; 2) strengthening the system of the people's congress; 3) consolidating the self-government system of the masses at the grass-roots level; and 4) establishing an open political process.

According to the four above-mentioned aspects concerning reform of the political power system, people's viewpoints are not widely different, but each lays particular emphasis on certain questions. Some stress solving the question of party-government relations well, and paying attention to the development of inner-party democracy, and regard this as a prerequisite for the democratization of China's political life. Some emphasize strengthening the peoples congress system. Some regard people's taking part in reform and supervision, and democratic administration as a basic sign of socialist democracy and an important goal of the political system reform.

INDUSTRIAL PRODUCTION STRUCTURE IMPROVED IN 1986

OW192033 Beijing XINHUA Domestic Service in Chinese 1311 GMT 19 Aug 86

[Excerpts] Beijing, 19 Aug (XINHUA) -- With certain improvement in the structure of production and in the relations among various trades and professions, China's industrial production has shown a tendency for an appropriate growth rate and for a steady and coordinated development this year. According to information released by the State Statistical Bureau, the improvement in the structure of China's industrial production is mainly shown by the fact that the development of light industry and the development of heavy industry are comparatively well-coordinated, and the ratio between light industry production and heavy industry production has been readjusted and improved.

Of China's total industrial output value in the first half of this year, 49.7 percent were yielded by light industry and 50.3 percent by heavy industry. The ratio was quite appropriate. [passage omitted]

The heavy industry has improved the proportions among its various branches. Among the basic industries, the mining industry achieved a growth of 4.8 percent and the raw and semifinished materials industry grew by 9.8 percent. Their growth rates, greater than the 2.2 percent growth rate of the processing industry, are conducive to strengthening our weak basic industries. Since the beginning of this year, China's electric power generation has been increasing at a rate greater than the industrial growth rate. In the first half of this year, the outputs of pig iron, steel, rolled steel and cement increased at rates ranging from 9.7 percent to 14.8 percent, creating the necessary conditions and basis for further economic development. [passage omitted]

GUANGMING RIBAO ON COMMODITY NATURE OF LABOR

HK200347 Beijing GUANGMING RIBAO in Chinese 9 Aug 86 p 3

[Article by Xin Linong: "Several Questions Concerning the Labor Force as a Commodity"]

[Text] At present the study of the labor force market is receiving more and more attention. The key question is whether the labor force is a commodity. This article will make an initial exploration of this question.

The Labor Force as a Commodity and Public Ownership of the Means of Production

Under socialist conditions, laborers, who jointly own the means of production, are masters in production and labor. In line with the needs of society, they engage in joint labor by sharing their work and cooperating with each other, thus allowing labor to take on a social nature. On the other hand, labor is a way of life for laborers. The ability to engage in labor is a "natural privilege" of each laborer. The labor force -- labor -- must be used on the condition that laborers obtain relevant remuneration from their labor. Therefore, the labor force still maintains the nature of being owned by individual laborers.

Social production can be carried out only when laborers are combined with the means of production. Laborers in a socialist society can combine themselves with the means of production of enterprises only when they are recruited, employed, or appointed by enterprises. In carrying out production and circulation, the economy under socialist public ownership takes enterprises as relatively independent economic bodies. In production and operations, enterprises enjoy relatively independent autonomy and have economic responsibility for their entire property as well as their profits and losses. The legal entities and workers of enterprises are completely equal and have their own interests. The two can carry out economic exchange on the basis of voluntary participation, mutual benefit, mutual compensation, and equal value. Without intermediaries [zhong jie 0022 0094], no laborer is allowed to possess, allocate, or use any enterprises' property at will under the pretext of placing the means of production under public ownership; otherwise, enterprises' property and rights will be infringed upon. Only after becoming members of enterprises through intermediaries can laborers engage in productive labor under unified guidance and in an organized way and combine themselves with the means of production. Since the labor force belongs to individual laborers and labor is a way of life for laborers, the combination of laborers with the means of production through intermediaries is in fact an exchange relationship in which the labor force is commodity. In other words, enterprises gain the right to use the labor force, which belongs to individual laborers, by means of compensation.

True, the formation of the public ownership system of the means of production has fundamentally changed the form of the combination of laborers with the means of production, removed the obstacle between laborers and the means of production -- the capitalist -- and enabled laborers to become the joint possessors of the means of production, thereby bringing abut a direct combination of laborers with the means of production. However, the following points should be noted: First, laborers jointly possessing the means of production and an individual laborer possessing his own labor force, his own means of labor, and the results of his own labor are two different economic concepts. They are generally dealt with as the difference between "public" and private" and should not be confused in economic relationships. Second, in the whole historical period of socialism, it is necessary to exercise the principle of distribution according to work in socialist enterprises. Therefore, the relationship between laborers and socialist enterprises cannot but be a special type of exchange relationship with the labor force as a commodity.

The Labor Force as a Commodity and Distribution According to Work.

The labor force as a commodity is a key factor for money to turn into capital. Surplus value came into being on the basis of the buying and selling of the labor force. But we should not come to the conclusion that so long as there is a certain exchange of the labor force, exploitation of surplus value and the capitalist hiring system will certainly arise regardless of social and historical conditions. [paragraph continues]

I am of the opinion that in a socialist commodity economy with public ownership of the means of production, the exchange of the labor force as a commodity is a new type of exchange without exploitation and the participation of capitalists. Its main characterists are as follows:

First, not only proletarians, who have completely lost all the means of production, but also socialist laborers, who jointly possess the means of production, "sell" their labor force. They still have to "sell" their labor force because, as Marx said, socialist society has not reached the stage in which "individual labor exists as a direct component of all labor without going through a tortuous path any longer." ("Selected Works of Marx and Engels," Vol 3, p 10) In other words, in the entire historical period of socialism, for individual labor to turn into social labor, it must abide by the principle of an exchange of commodities at equal value; that is, the principle of an exchange of equal labor. Therefore, laborers demand relevant remuneration from the labor force they "sell."

Second, not only capitalists, who possess the means of production, but also relatively independent economic bodies — socialist enterprises — which jointly possess the means of production, also "buy" the labor force. Apart from buying production and technological materials from the market for production, they also buy from the labor force market the labor force which is required for production. These production and technological materials as well as the labor force will become the production costs of enterprises according to their value in the course of production. Therefore, it is important for producers to reduce expenditure and avoid buying materials unnecessary for their production.

Third, the exchange of the labor force between individual laborers and socialist enterprises is an unprecedented, new type of economic relationship in human history. Its basic characteristic is that the pay laborers obtain from their labor is higher than the value of their labor force. This is because laborers demand the value of their labor force from the "sale" of their labor force. If their demand is not met, it is impossible to ensure the production and reproduction of the labor force. On the other hand, as joint possessors of the means of production, laborers also ask to have part of the results of their surplus labor. Therefore, in the socialist commodity economy, the pay laborers obtain from their labor includes the value of their labor force and part of the value created by their surplus labor. Only under this distribution system can the principle of distribution according to work really be put into effect.

The Labor Force as a Commodity and Labor Management System Reform.

A traditional theoretical viewpoint is that the labor force under socialist conditions is not a commodity and that only the labor management system of fixed employment can be exercised. Practice has proved that in the socialist commodity economy, as relatively independent commodity procedures and dealers, enterprises should readjust the quantity, quality, and mix of their laborers in line with their production conditions and actual needs. This readjustment can be carried out only through the labor force market. In addition, only in the labor force market can laborers have a free choice of jobs. The labor market can also provide education departments and labor training units with information on the supply and demand of the labor force, so that the socialist state will be able to ensure the supply of the labor force in a planned way. [paragraph continues]

Therefore, like the commodity market, the money market, and the technology market, the labor force market is an indispensable component of the socialist market system and is an inevitable product of China's economic structural reform.

There is fear that opening a labor force market will ruin the stability of the labor contingent, lead to a massive and random transfer of the labor force, and affect the development of socialist economic construction and social stability and unity. This fear is groundless. The calamity caused to laborers in the capitalist world by large-scale unemployment and tough competition in job hunting has made it easy for people to relate and equate the labor force market with the capitalist economic system. In fact, the socialist labor market is fundamentally different from the capitalist labor force market. The exchange of the labor force under socialist conditions is carried out on the basis that laborers jointly possess the means of production. There is no bourgeois participation, and the "buyer" and "seller" are no longer two antagonistic exploiting and exploited classes. Therefore, such an exchange of the labor force and such a labor force market are no longer controlled by the basic contradictions of capitalism and the law of surplus value, nor will they lead to a surplus of the labor force, which the capitalist system cannot overcome. Moreover, the socialist commodity economy is a planned commodity economy. The exchange of the socialist labor force and the socialist labor force market are guided under state plans in accordance with state policies and laws. The have eliminated the anarchic influence of the capitalist economy and are not easily affected by the law of value. Although the law of value still plays a regulatory role in the socialist labor force market, this role is brought into play by the socialist state in limited scopes to regulate the supply and demand of the labor force and to guide the rational transfer of the labor force. In conclusion, the exchange as a commodity of the labor force under socialist conditions and opening a labor force market will be beneficial to the development of the socialist economy. They will not lead us back to the capitalist road.

BANK OFFICIAL ON AID FOR JOINT VENTURES

OW161438 Beijing XINHUA in English 1211 GMT 16 Aug 86

["China To Give Financial Help to Joint Ventures" -- XINHUA headline]

[Text] Qinhuangdao, August 16 (XINHUA) -- From next year, Chinese investment and circulating funds for Sino-foreign joint ventures will be specially listed in the national credit plan, according to a government decision. This is an important measure to solve the financial problems of joint ventures, vice-president of the Bank of China (BOC) Yang Huiqiu told a national conference on credit for Sino-foreign enterprises in China which closed here today.

In addition, he said, more flexible measures will be adopted by the BOC to solve the lack of circulating funds in these undertakings. They include granting special or temporary credits, opening mortgage cash business, current deposit overdrafts and using interbank call-money, foreign trade credit and long- and medium-term loans. As for large enterprises with a high rate of economic efficiency, Yang said, they can receive credits from international banks with the help of the BOC so long as they conform with the requirements.

This business now can be managed by BOC branches in Beijing, Tianjin, Shanghai, Qingdao, Nanjing, Urumqi and Guangzhou, and its scope will be enlarged gradually in the future according to the demand. Efforts will be made to help enterprises with foreign investment to raise funds from abroad and guarantee their performance, while Chinese investors will also be given loans when they are in difficulty.

If permitted, the vice-president said, the BOC's overseas branches could also provide loans to Sino-foreign joint ventures.

In providing credits, Yang said, priority will be given to productive projects with imported technology, export-oriented enterprises and those producing items for substituting imported goods.

CHINA'S OPEN POLICY ACHIEVEMENTS REVIEWED

OW160626 Beijing XINHUA in English 0610 GMT 16 Aug 86

[Text] Beijing, August 16 (XINHUA) -- China has used 24.9 billion U.S. dollars of foreign investment and approved the establishment of 6,880 joint ventures, cooperative enterprises and foreign enterprises in China over between January 1, 1979 and July 30 this year, according to a government report. Of the foreign investment used, 5.4 billion U.S. dollars were direct investment, the report says. During the past ten years, both imports and exports have grown at an annual rate higher than the world average and the growth rate of industrial and agricultural production.

China is now the world's 16th greatest exporter in 1984, as against 32nd in 1978. From 1979 to the first half of this year, it earned 160 billion U.S. dollars from exports.

More than 50,000 people are performing construction tasks abroad. They belong to 66 companies offering overseas labor service. The four special economic zones and the 14 coastal cities and the Hainan Island have become "windows" for other parts of the country to see the world and for the world to see what is going on in China, the report said. The opening of these areas has helped speed construction of the Bohai Bay, the Yangtze and Pearl River Deltas and other eastern parts of the country and prepare central and western China for a projected economic take-off.

Thanks to the open policy, China has been able to invest one billion U.S. dollars in oil development, contributing to stabilizing it annual oil output at 700 million barrels. The use of foreign loans have helped resume construction of a number of urgently needed projects, which had been suspended for shortage of funds.

The use of World Bank loans is improving the alkaline soil in Shandong, Henan and Anhui helped increase grain output by 44 percent, cotton output 74 percent and oil-bearing crops 300 percent.

VILLAGE ENTERPRISES EARN MORE FOREIGN EXCHANGE

OW171405 Beijing XINHUA Domestic Service in Chinese 0001 GMT 17 Aug 86

[By reporters Dong Ruisheng and Zhang Yong and correspondent Zhou Handa]

[Excerpt] Beijing, 17 Aug (XINHUA) — It has been learned from the State Administraton of Village and Town Enterprises that foreign exchange earned by China's village and town enterprises has increased at an annual rate of 15 percent in recent years. An export production system of village and town enterprises linking cities and the countryside is taking shape.

According to statistics provided by the administration, China had 12,200,000 village and town enterprises as of the end of 1985. Their total annual output value was 272 billion yuan, accounting for 44 percent of the total rural output value. According to incomplete statistics of 15 provinces and municipalities, some 6,000 village and town enterprises are producing export goods and 870 joint enterprises have been set up with foreign investment or in cooperation with foreign firms. Export products directly or indirectly supplied by village and town enterprises earned foreign exchange totaling $4 billion last year. [passage omitted]

CHINESE PROSE WRITER DISCUSSES FREEDOM OF SPEECH

HK170856 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1149 GMT 14 Aug 86

[Text] Beijing, 14 Aug (ZHONGGUO XINWEN SHE) — Qin Mu, a noted Chinese prose writer, said that a spacious, harmonious environment is not bestowed on the people by anyone as a favor. It is the embodiment of the people's rights as stipulated in the Constitution.

Qin Mu, who is now vice chairman of the Guangdong Federation of Literature and Art, gave an interview to a HUASHENG BAO reporter a few days ago. Qin said that the party and government in power should act according to law and urged those who wield power to understand that they do not have the right to "bludgeon" others. The practices of "bludgeoning people" and "punishing people for what they have said" in the past, which brought misfortune to writers, were against the law and were an encroachment on people's rights.

Mr Qin spoke highly of those who take risks, who explore courageously in the all-round reform, and who dare to speak the truth for the sake of the country and people. If we have more people who dare to speak the truth and resist a handful of influential people who arbitrarily abuse power, Qin said, there will be less chance of people being convicted for their speeches. When the number of people who dare to speak and uphold the truth increases, they will become a social force compelling those who are used to "bludgeoning" others to change their ways.

Qin Mu stressed that we should never presume that capitalist countries train people loyal to capitalism and that their social sciences and spiritual civilization belong to capitalism. We introduced the theories of Marx and Engels which came into being from capitalist countries. Although the civilization of capitalist countries has its limitations, it is more enlightened and advanced than feudalist things.

Qin Mu said that Hong Kong has 10 products that rank first quantitatively in the world even though it occupies a limited area. What does Hong Kong rely on? It is nothing but the advanced technology of various countries.

Qin Mu is an Overseas Chinese who returned from Singapore. His literary activities cover many fields. He achieved nationwide fame for his prose collection entitled "Picking Up Shells From the Sea of Literature."

ZHANG JINGFU SPEAKS ON FOREIGN JOINT VENTURES

OW161724 Beijing XINHUA in English 1423 GMT 16 Aug 86

[Text] Beijing, August 16 (XINHUA) -- State Councillor Zhang Jingfu said here today that Sino-foreign joint ventures have bright prospects, and all the joint ventures should make concerted efforts to provide the international market with fine-quality products at competitive prices, Zhang said at today's opening ceremony of the Sino-U.S. joint venture, Babcock and Wilcox Beijing Company Ltd.

The councillor also said that preferential treatment will be given to Sino-foreign joint-venture and cooperative enterprises. Adopting U.S. technology and quality standards, this joint venture will produce large industrial boilers and electric power station boilers which are badly needed by China. This joint venture is the first one in China's electric power equipment industry. The agreement was signed at the end of last year.

ZHAO ZIYANG STRESSES ROLE OF FACTORY DIRECTORS

HK160738 Hong Kong WEN WEI PO in Chinese 15 Aug 86 p 2

[Report by reporter Kuang Yu: "Zhao Ziyang Explicitly Points Out That a Factory Should Be Managed by Its Director; The Secretary of the Party Committee Should Do the Work of the Committee and Should Not Replace the Factory Director"]

[Text] Premier Zhao Ziyang recently said at a national conference attended by provincial governors in Beijing that "a factory director should be the primary leader rather than the secondary leader of the factory. A secretary of the party committee should be a person who is suited to the work of handling the affairs of the party committee. This is also a principle implemented by th East European countries. At present, a major task is to properly adjust the factory leading bodies and select competent factory directors who can play a role as a leadership core in the factory."

Bo Yibo pointed out "According to our experience of many years, the replacement system must be abolished and the factory director responsibility system must be implemented. The leading bodies of various enterprises should be properly adjusted. Deputy directors can be appointed directly by the director. Reform must not be delayed. According to our experience of the past 38 years, we must adopt the factory director responsibility system. Competent people should be selected to be factory directors.

This 4-day meeting was chaired by Zhao Ziyang. In the meeting period, Tian Jiyun and Hu Qili delivered speeches on reform of the labor system.

Their speeches include the following points: 1) Reforming the system of using manpower; 2) Reforming the system of recruiting new workers; 3) Giving power to enterprises to dismiss workers who violate discipline; 4) Establishing a social security system and solving the problems of waiting for jobs and welfare of old people.

Leaders attending this meeting included Wan Li, Hu Qili, Yao Yilin, Tian Jiyun, Wang Zhaoguo, Bo Yibo, Chen Muhua, Wang Bingqian, Zhang Jingfu, Song Ping, Gu Mu, and Song Jian.

TIAN JIYUN, OTHERS AT SYMPOSIUM ON DENG ZIHUI

OW180855 Beijing XINHUA Domestic Service in Chinese 1036 GMT 17 Aug 86

[Excerpts] Beijing, 17 Aug (XINHUA) — A symposium to study Comrade Deng Zihui's concept of agricultural development was held at the Great Hall of the People this morning. Attending today's symposium were Tian Jiyun, Deng Liqun, Wang Zhen, Peng Chong, Zhang Jingfu, Zhang Aiping, and other comrades.

Comrade Deng Zihui was born in Longyan, Fujian. He took part in the revolution in 1925 and joined the CPC in 1926. [passage omitted] He died of illness in Beijing in 1972. Wang Zhen, vice chairman of the Central Advisory Commission, delivered a speech at the symposium. He said: Comrade Deng Zihui was a loyal proletarian revolutionary of our party. Over a fairly long period he was responsible for doing our party's rural work and performed spectacular feats for the development of agriculture in China. [passage omitted]

Wang Zhen said: Tremendous changes have taken place in our present era as compared with the past. Reform of the urban and rural economic structure is being carried out in an overall manner. The task of reforming the political system is already on our daily agenda. Only by extensively carrying out rural reform and attaining continuous successes can we create conditions for restructuring the entire economic system in the country.

State Councillor Zhang Jingfu also delivered a speech at the symposium. After reviewing Comrade Deng Zihui's lifetime achievements, he said: Comrade Deng Zihui impressed people most by strictly adhering to the line of seeking truth from facts and giving full play to the work style of closely combining theory with practice. Soon after nationwide liberation, he worked for the CPC Central Committee, being in charge of rural work. Although he experienced ups and downs, he remained unchanged in his adherence to the line of seeking truth from facts like during the war period and to the principle of placing the interests of the people above everything else. The concepts and principles he consistently advocated will shine with even greater radiance today when the party and people have solemnly reaffirmed the correctness of many of the views Comrade Deng Zihui had put forward and advocated in the past doing all kinds of work. This is the most important and valuable ideological legacy he has left us.

Today's symposium was sponsored by the Chinese Agro-Economic Society and the Institute of Rural Development of the Academy of social Sciences of China. Du Rensheng, director of the Rural Policy Research Center of the Secretariat of the CPC Central Committee, presided over the symposium, which was attended by more than 300 people.

ANHUI RECTIFICATION CURBS UNHEALTHY TENDENCIES

OW190551 Hefei Anhui Provincial Service in Mandarin 1000 GMT 18 Aug 86

[Text] Following the party Central Committee's 8,000-strong meeting and the Anhui provincial party committee's early March mobilization meeting, leading party groups and party committees of all units directly under the provincial party committee and government have genuinely attached importance to the task of party rectification. Principal leading comrades have taken the lead in making comparisons and examinations in light of reality. Many units have precisely solved problems concerning party members and cadres thinking and understanding, enabling them to heighten their awareness of party spirit. Initial achievements have thus been made in party rectification.

The six unhealthy tendencies, as pointed out in party Central Committee documents, have been curbed in time in most units directly under the provincial party committee and government. The majority of party and government organizations and cadres have closed down or separated from the companies or businesses which were operated in violation of regulations. In certain cases, efforts are being made to solve post-closure problems. The composition of personnel going abroad is becoming more reasonable. All units have taken stock of their vehicles and measures are under study to dispose of the vehicles obtained in violation of regulations. Fewer tours are made at government expense. There has also been a drop in the number of office cadres going to basic-level units to accept dinner invitations. Fewer receptions are being held for incoming guests. Many units are checking their private vaults and returning such illegitimate incomes as payoffs, bonuses, kickbacks, and gifts from lower units.

An important experience in rectifying party style has been the investigation and handling of major and important cases. All units have made great efforts to investigate major and important cases. In the first half of this year, units directly under the provincial party committee and government placed 75 cases on file for investigation. Investigations into 66 cases have been completed, and conclusions have been drawn on 42 while conclusions are pending on 24. The judicial departments have arrested 22 persons involved in these cases, and they will be put on trial. Investigation of the remaining cases is actively continuing.

Some units have corrected the unhealthy practice of abusing power or taking advantage of one's position for private gain. They have made it a major task and have taken a series of unique measures. They have achieved some results.

The provincial Commerce Bureau has firmly normalized the distribution of commodities. The provincial Power Bureau has firmly corrected such unhealthy practices as illegitimately cutting off power supply, abusing one's position to squeeze dinners and gifts for customers, overcharging customers, and collecting illegal service charges. This has further rectified their guiding ideology and has prompted in-depth development of the task of rectifying party style.

FUZHOU RETURNS CONFISCATED OVERSEAS CHINESE HOMES

OW110603 Fuzhou Fujian Provincial Service in Mandarin 1030 GMT 10 Aug 86

[Text] Fuzhou City continues to fully implement the policy on houses belonging to Overseas Chinese. In the first half of 1986, another 844 households of Overseas Chinese and families of Overseas Chinese regained their private ownership of their houses wrongly confiscated or requisitioned during agrarian reform.

The total floor space of these returned houses was more than 158,000 square meters, or 99.4 percent of the total that should have been returned. Of the 844, households, 670 have regained their right to use the houses with a total floor space of over 120,000 square meters, or 76.4 percent of the total.

FUJIAN PROVINCE LEADERS HELP GRASS-ROOTS UNITS

OW151331 Beijing XINHUA Domestic Service in Chinese 2302 GMT 12 Aug 86

[By reporter Xu Yiming]

[Excerpts] Fuzhou, 13 Aug (XINHUA) -- Cadres of the leading organs in Fujian Province spent a great deal of time conducting investigation and study efforts and helping grass-roots units to overcome difficulties and promote healthy development in opening the province to the outside and reforming the economic structure. [passage omitted]

With these issues in mind, principal leading comrades of the provincial party committee and the provincial government Chen Guangyi, Hu Ping and others went deep into the grass-roots units to conduct investigations and study. They toured 9 prefectures and cities and more than 20 countries. They discovered that the abundant natural resources in the mountainous region from east Fujian to northwest Fujian have not been brought into full play, failing to exercise the regions economic and commodity predominance.

Peasants in some remote hilly areas were unable to eradicate poverty and raise their standard of living. It was for this reason that the provincial party commmittee held an enlarged plenary session and adopted a 15-article resolution on helping poor districts eliminate poverty. Later, various organs directly under the provincial authority dispatched approximately 1,000 cadres and organized work teams and lecture groups to go to 11 poor counties to help the local people eradicate poverty. As of now, the number of cadres doing this type of work at the provincial, prefectural, city and county levels has exceeded 10,000. Various prefectures and cities have worked out plans to eradicate poverty as well as raise their standard of living, and established a responsibility system at each level to help the poor. They also used various channels to raise funds to help the poor. Such funds had been rapidly distributed in poor townships and villages and among poor people. [passage omitted]

The various organs directly under the provincial authority also maintained close ties with various counties, (cities), townships and villages. Leading comrades at and above the vice governor and theprovincial party committee's Standing Committee member level maintained close ties with the 11 poor counties and the 2 island counties in helping the poor. They regularly visited these counties to study the local situation and help solve problems. After establishing ties with poverty-stricken Pinghe County, the provincial foreign trade department helped the county set up six base areas for exporting green asparagus, long-haired rabbits and freshwater eels as well as other agricultural, sideline and local products. It is estimated that the county will be able to earn as much as 8 million yuan of foreign exchange.

The enlarged session of the Standing Committee of the provincial party committee held on late July this year devised new investigative and study plans for the second half of this year. It has been decided that leading comrades of the provincial party committee and the provincial government will organize teams to carry out investigation and study in the Xiamen Special Economic Zone, the delta area open to he outside in southern Fujian, the city of Fuzhou which is also open to foreign countries, Meizhouwan and other localities in August and September.

They will handle official business on the spot, and study ways to further open the coastal region to the outside and carry out reforms. Right now, the various investigation groups have already embarked on their journey despite the hot weather.

SHANDONG FAMILY PLANNING WORK CONFERENCE CONCLUDES

SK200552 Jinan Shandong Provincial Service in Mandarin 2200 GMT 19 Aug 86

[Text] The 5-day provincial family planning work conference concluded in Jinan on 19 August. Provincial Governor Li Changan spoke at the conference. Vice Governor Ma Changgui delivered a report.

The conference noted: The Seventh 5-Year Plan is a peak period for population growth. In addition, the uneven development in the improvement of child-bearing policies and in family planning work, and the ineffective propaganda have confused some cadres and people about the improvement in the child-bearing policies. This has made family planning work more arduous during the Seventh 5-Year Plan.

Comrade Li Changan pointed out: We should comprehensively understand and implement the party's child-bearing policies, and guard against lopsidedness. It does not necessarily mean that to improve the child-bearing policies we have to relax the policy on family planning. By saying that the policies are fair and reasonable, we mean that they should be compatible with the conditions of both the country and the people, and should take into consideration the overall interest of the four modernizations and the actual difficulty of the masses, and they should not deviate from the basic national policy of bringing population growth under strict control.

He urged party committees, governments and departments at all levels to regard family planning as an important task, provide necessary manpower, materials, and technologies in a timely manner, and work in close coordination to fulfill our province's population control plan for the Seventh 5-Year Plan.

GUANGDONG'S LIN RUO URGES AGRICULTURAL DEVELOPMENT

HK160457 Guangzhou Guangdong Provincial Service in Mandarin 0300 GMT 16 Aug 86

[Text] The Guangdong provincial conference of county party committee secretaries concluded in Dongguan this morning. Provincial party committee Secretary Lin Ruo delivered a summation report. He said: There are great potentials and prospects for agricultural development in Guangdong.

In his report, comrade Lin Ruo first analyzed the current agricultural situation in the province. He said: Thanks to unswerving implementation of the principle of opening up to the world and invigorating the domestic economy, Guangdong's rural commodity economy has undergone very great development in recent years. Not only has this development occurred in areas where the economy was already relatively developed and the level of production has risen quite rapidly, but -- and particularly noteworthy -- a mass upsurge of development has also formed in mountain and coastal areas where the economy was far from developed before.

He said: The emergence of an upsurge of agricultural development means not only the expansion of the scale of agricultural production but also the deepening and improving of production. It is ended an advance in depth and breadth.

Lin Ruo said: Guangdong has abundant natural resources and excellent climatic conditions for agricultural development. The province still has some 60 million mu of undeveloped barren hills and slopes. This is far greater than the existing area of farmland. Some 2.3 million mu of coastal shore and water can be developed, and less than half of this has been developed to date. Guangdong has great potentials for agricultural development. If we make a success of this work, it is completely possible for a second upsurge of agricultural development to emerge following the great development that took place during the Sixth 5-Year Plan. This will also lay a sound foundation for fulfilling the Seventh 5-Year Plan for natural economic development.

GUANGDONG LEADERS ON ECONOMIC WORK, RECTIFICATION

HK160313 Guangzhou Guangdong Provincial Service in Mandarin 09090 GMT 15 Aug 86

[Text] This morning, Governor Ye Xuanping and provincial party committee Deputy Secretary Guo Rongchang respectively reported on economic work issues and on doing a good job in township-level party rectification and completing the task of party rectification in the rural areas at the provincial meeting of county party secretaries.

In his report, comrade Ye Xuanping pointed out that the province should actively promote three reforms in the second half of the year: 1) Reforms in the labor system. The contract system should be instituted for new workers recruited by state-owned enterprises. The practices of having one's place taken by a son or daughter and on internal recruitment must be abolished. 2) Get a good grasp of reforming the leadership setup in state-owned industrial enterprises, with the focus on practicing the system of responsibility for accomplishing goals during a manager's term of office. 3) Seriously put enterprise decision-making powers on a sound basis and invigorate the enterprises. It is also necessary to go further in controlling investment in fixed assets and strictly control expenditure and the use of foreign exchange, to ensure balanced spending and income in foreign exchange.

Comrade Quo Rongchang stressed in his report that it is essential to strictly grasp the policies in township-level party rectification and pay attention to providing appropriate guidance according to the circumstances. Economically-developed areas must pay attention to solving problems of party-member cadres abusing powers and of insufficiently corrected guiding ideas on economic work. Backward areas must pay attention to resolving problems of apathy among party-member cadres when faced with difficulties. The coastal areas must pay attention to solving problems of internal and external collusion, speculation, and smuggling and peddling of contraband. Party rectification work in disaster areas must stimulate relief work.

The township-level rectification in the province will be launched on a full scale in the last 3 weeks of August. It should be completed next spring. Counties seriously hit by disasters can delay launching the work for 1 or 2 months. However, not less than 3 months can be spent on party rectification. The demands on quality cannot be lowered. The county and district party committees, especially the country committees, must regard township-level party rectification as the central task in rural work in the second half of the year and do a good job in strengthening leadership over it.

HUBEI OFFICIALS REPORT SUCCESS IN LABOR REFORM

OW181236 Beijing XINHUA in English 1145 GMT 18 Aug 86

[Text] Wuhan, August 18 (XINHUA) -- Officials in central China's Hubei Province say their experiments since 1983 with the country's emerging contract labor system have been successful.

"Having people sign on for three or five years is certainly better than guaranteeing them jobs for life -- while making it difficult for them to leave if they want to," according to one official.

Hubei authorities say 150,000 workers in the province of 48 million are involved in the contract system and that many of them have become mainstays of the trades and the service enterprises in which they are employed. And they say many of the workers have already advanced in their units. In central Hubei's Shashi City, for example, a random survey of 2,200 contract workers found four had become department heads, 103 had been promoted to shift leaders and 192 had been named model workers.

"Just look at the facts," one provincial leader said. "Not only are the contract workers performing better than those with jobs for life, as long as they do well, they will have more personal power than ordinary workers -- at the end of their contracts, they can switch jobs."

Since none of the initial contracts has expired, no worker has been fired, and no enterprise has had to cope with an unwanted transfer by a key worker. At any rate, authorities say so far the contract system seems to balance the responsibilities and interests of both enterprises and workers.

In Wuhan, the capital of Hubei, authorities have combined the contract system with an extensive job training program. In 1985 alone, city officials say, 35,000 people participated in training programs before signing contracts to work in Wuhan's state- and collectively-owned businesses.

GUIZHOU SECRETARY AT CONFERENCE ON KEY ENTERPRISES

HK190243 Guiyang Guizhou Provincial Service in Mandarin 2200 GMT 17 Aug 86

[Text] The usual summation report was cancelled at the closing ceremony of the provincial conference on key enterprises which concluded on 17 August. Provincial CPC Committee Secretary Hu Jintao, Vice Governor Zhang Shukui, and responsible persons of departments concerned who attended the closing ceremony stepped down from the rostrum and went amidst factory directors and managers to hear their views on the reform enterprises and to answer their difficult questions on the course of invigorating enterprises.

During the 5-day conference, factory direction and managers from 140 key enterprises and 22 specially invited enterprises reported that due to the fact that the new is replacing the old, reform measures are not carried out well, and the political structure does not suit economic reform, factory directors are beset with difficulties and have difficulty progressing in the course of reform.

Leaders of the provincial CPC Committee and provincial government have shown great concern for this and put forward that it is necessary to trust, understand, and support enterprise leaders sufficiently and to unswervignly and penetratingly implement the system of the factory director assuming full responsibility.

Leaders of the provincial CPC Committee and provincial government have emphasized: To implement well the system of factory directions assuming full responsibility, it is essential to work hard to improve the quality of enterprises, particularly the quality of factory directors and managers and the quality of the enterprise leadership groups. The factory directors and managers must constantly improve their political and management quality, work level, and working ability, always be in a good spiritual state, arouse their enthusiasm, persist in reform, be bold in exploration, open up a new path, and advance. They must lead the workers to overcome difficulties. The key enterprises must give play to their exemplary and vanguard role in for aspects, including working hard to fulfill this year's quotas for industrial production, persisting in reform of enterprises, grasping management well to completely improve their quality, and doing ideological and political work well and doing well in grasping the building of spiritual civilization.

During the conference, nine enterprises including the Guiyang Mining Machinery Plant, Guiyang Steel Plant, and state-run Zhonghua Machinery Plant exchanged their experiences in implementing the system of factory directors assuming full responsibility and the economic responsibility system.

Provincial CPC Committee Secretary Hu Jintao attended the conference, listened to the reports, took part in discussion, spoke.

GUIZHOU HOLDS PARTY RECTIFICATION CONFERENCE

HK160730 Guiyang Guizhou Provincial Service in Mandarin 2200 GMT 14 Aug 86

[Text] Yesterday evening, the Guizhou Provincial CPC Committee held a telephone conference in Guiyang on village-level party rectification to sum up experiences in village-level party rectification throughout the province and to make arrangements for the village-level party rectification work at the next step.

The conference demanded that party organizations at all levels strengthen leadership, make sustained and redoubled efforts, and do well in completing our province's village-level party rectification tasks, Ding Tingmo, deputy secretary of the provincial CPC Committee, spoke at the telephone conference.

The conference pointed out: To do well in completing our province's village-level party rectification tasks, we must now seriously do the following several aspects of work well:

1. The county, district, and township CPC committees must give all-round guidance to the village-level party rectification work and do well in vigorously grasping village-level party rectification work.

2. It is necessary to strengthen the sense of the political duty of the party member cadres sent to the village party branches to give guidance to the party rectification work. The comrades sent to the rural areas to give guidance to work must take part in all village party branches's party rectification work from start to finish.

3. It is imperative to strengthen investigation and study and to improve the leadership method. When a problem is discovered, it is necessary to solve it promptly.

4. It is necessary to give guidance according to different situations. The county, district, and township CPC committees must constantly analyze the situation of all units carrying out party rectification and give specific guidance according to the different problems to guarantee the quality of party rectification.

SICHUAN'S YANG RUDAI INSPECTS DROUGHT-AFFECTED AREAS

HK190217 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 18 Aug 86

[Excerpts] At a time when drought is continuing to develop in parts of Sichuan, Yang Rudai, secretary of the provincial party committee, has investigated the situation in Jintang, Jianyang, and Renshou Counties. In view of the disastrous situation in some areas and the mental state of some of the cadres and masses, he stressed that the cadres and masses must brace their spirits, strengthen their confidence, take more self-salvation measures, and reduce losses to the minimum. [passage omitted]

When he heard that some of the cadres and masses took too serious a view of the disaster and lacked confidence in self-salvation through production, Comrade Yang Rudai said: This year parts of the province have been hit by high winds, hailstorms, and flooding, while other parts have suffered the most severe drought for many years. However, viewing the province as a whole, the disaster is only a partial affair. A bumper harvest is in sight in the majority of areas. Even places where the disaster is rather serious can reduce its impact so long as they take full advantage of every favorable condition and apply effective and practical measures. [passage omitted]

Yang Rudai pointed out that the following tasks should currently be grasped well: 1) The cadres and masses should take more self-salvation measures by stepping up the final-stage tending of cotton and sweet potatoes. 2) Do a thoroughly good job in water storage and conservation, and maintain properly the water conservancy facilities and farm tools and machines. 3) Do a good job in selecting and retaining fine-strain seed. [passage omitted]

SICHUAN CIRCULAR URGES EFFORTS FOR BALANCED BUDGET

HK160523 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 15 Aug 86

[Text] The provincial people's government recently issued a circular calling for efforts for a balanced budget at all levels this year. The circular demanded that, on the basis of getting a good grasp of production, enlivening circulation, and improving economic results, all localities make vigorous efforts to organize financial revenue, strengthen the management of tax collection, and strictly control investment in fixed assets. It is essential to make efforts to reduce administrative expenditures and strictly control the purchasing power of social groupings. It is necessary to seriously reexamine the revenue and expenditure budget for this year. The growth of financial revenue must not be lower than the local economic growth rate. We must live within our means and achieve a balanced budget.

Taking account of the fact that the revenue level in many counties is rather low while the increase in expenditure this year is rather great, the provincial government has decided to assign some of its revenue to the countries as permanent revenue to be used for balancing revenue and expenditure. The provincial authorities will provide temporary subsidary assistance for areas where revenue and expenditures are unbalanced. Thus these areas in difficulties will be able to lay down their burdens, invigorate their spirit, display their initiative, devote their main efforts to increasing income and reducing expenditure, and strive to achieve a balance. We should succeed in having no deficit counties in the whole province.

CHONGQING CITY REFORMS ECONOMIC STRUCTURE

HK080651 Chongqing CHONGQING RIBAO in Chinese 12 Jul 86 p 1

[Report by RENMIN RIBAO reporter Huang Wenfu and CHONGQING RIBAO reporter Liu Jixian: "Chongqing City Promotes the Exchange of the Dominant and Secondary Positions Between the Old and New Economic Structures" -- capitalized passages published in boldface]

[Text] In the process of deepening the guiding ideology of reform and exploring ways of reform, Chongqing City, the first major city in the whole country to carry out an overall structural reform, has made some other new breakthroughs. While updating concepts, deepening reform, and doing well the systematic reform of the economic structure itself and the systematic reforms in political, social, and ideological and cultural domains, the whole city is vigorously and steadily promoting the exchange of the dominant and secondary positions between the old and new economic structures. Thus, both the reform and economic construction have taken on a gratifying new look.

At a symposium on the city's structural reform held on 9 July, Liao Bokang, secretary of the city CPC Committee, gave a full exposition of the situation of the reform in our city, the characteristics of this stage of reform, and the intensity and extension of the significance of promoting the exchange of the dominant and secondary positions between the old and new economic structures. As a fundamental guiding ideology, it is now propeling the reform in the whole city to develop in a deepgoing way.

As early as in 1979, when Premier Zhao Ziyang was in charge of the work in Sichuan Province, six units, such as Chongqing Iron and Steel Company, Chongqing Clock and Watch Company, and so on, were the first batch of experimental units to expand the decision-making power of enterprises.

In 1982, this experiment expanded to over 100 enterprises and made some useful explorations for local reforms. In 1983, with the approval of the central authorities, Chongqing City set up the experimental units for an overall economic structural reform. Centering on the invigoration of enterprises, linking up circulation, and aiming to bring into play the role of cities as economic centers, they carried out a series of reforms of varying degree in the aspects of planning, finance, taxation, pricing, banking, commerce, wages, and so on. The reform over the last 3 years has greatly expedited the economic development of the whole city, gradually brought into play the role of the city as an economic center, and remarkably improved the livelihood of the people. Therefore, the whole economy of the city has entered its most vigorous period of development since the founding of the country. As compared with 1982, in 1985 the total social output value had increased by 47 percent, and the national income by 46 percent, all exceeding the levels of increase of the whole country in the same period. Revenue has broken away from the previous long-term state of stagnation at an average annual rate of increase of 13.3 percent. At present, its profit handed over to the state increases at an annual progressive rate of 10.38 percent. The success of Chongqing's reform is not only reflected in the great development of the city's economy but is also demonstrated in that the ossified old economic structural base, which was formed over a long period of time in the past, has been breached in many aspects and the new economic structure is growing in strength in many aspects. The exchange of positions and coexistence of the new and old structures has become the biggest characteristic of this pioneer city's current reform.

In the face of this new situation, the city CPC Committee has made a lot of investigations and studies and serious comprehensive analyses. The maintain that under the condition of the exchange of positions and coexistence of the new and old structures, it is unavoidable to have various contradictions and conflicts. For a certain period of time, the implementation of the director (manager) responsibility system meets with resistance; the renting and contracting of small commercial enterprises are censured, the readjustment of companies suffers setbacks, and so on and so forth. This should be the cause of these problems. Although these problems are unavoidable in the process of reform, their solution should not be delayed for too long, otherwise it will be very unfavorable to both the deepening of reform and economic development. The city CPC Committee also maintains that this coexistence of the old and new structures is not static but a dynamic process of rising here and declining there, and of replacing the old with new. If the new structure does not replace the old to occupy the dominant position as soon as possible, some on-going reforms will face the danger of retrogressing to the old structure. Just like a boat sailing against the current, which must forge ahead or else be driven back, being the first experimental city to carry out an overall structural reform, Chongqing must and should promptly quicken the pace of reform and should reduce as such as possible the period in which the new and old structures coexist and realize as soon as possible the exchange of of the dominant and secondary positions between the old and new economic structures, so as to basically put the economy as a whole into the operational orbit of the new structure. The city CPC Committee holds that this is both in keeping with the spirit of the central authorities' decision regarding reform and inevitable for the development of the reform situation in Chongqing.

Precisely proceeding from this guiding ideology, our city's reform targets have become more explicit, the pace of reform is getting faster, and the progress of the exchange of positions between the new and old structures in some main aspects of reform has greatly accelerated.

FIRST, TO FURTHER INVIGORATE ENTERPRISES, IN PARTICULAR THE LARGE AND MEDIUM-SIZED ENTERPRISES UNDER THE SYSTEM OF OWNERSHIP BY THE WHOLE PEOPLE, A LARGE NUMBER OF ENTERPRISES HAVE BEGUN TO CHANGE FROM BEING SUBSIDIARY BODIES OF ADMINISTRATIVE ORGANS TO BEING RELATIVELY INDEPENDENT COMMODITY PRODUCERS AND OPERATORS. In order to expand the decision-making power of enterprises, 52 administrative companies in the whole city have carried out readjustment and consolidation and changed their nature from administrative management to enterprise-like, service economic organizations, thus fundamentally resolving the issue of the power struggle between the administrative companies and enterprises. In order to expedite the reform of the leadership structure, the number of industrial enterprises which are trying the director (manager) responsibility system has expanded from 28 to 392, accounting for 32.3 percent of all the state-owned industrial enterprises in the whole city. Meanwhile, while implementing the democratic election of directors (managers) or the appointment system some enterprises have found and employed some talented people. By carrying out the system of requiring directors (managers) to work out targets at the beginning of their terms of office and the system of evaluating the attainment of their targets, short-sighted behavior by enterprises is prevented. In addition, the implementation of fund accommodation, the law of bankruptcy, and the trial implementation of social insurance have all truly invigorated the enterprises. In the first half of this year, under the condition of insufficient energy resources and frequent natural disasters, industrial production in the whole city still increased at a higher rate than in the corresponding period of last year. In particular, in May and June, the increases reached 12.02 percent and 14.3 percent, the highest figures on record.

SECOND, THE NEW DEVELOPMENT OF LATERAL ECONOMIC COMBINATIONS HAS INITIALLY RESULTED IN A MULTILEVEL ECONOMIC NETWORK FOCUSING ON ENTERPRISE COMBINATIONS AND INTEGRATING THE URBAN WITH THE RURAL AREAS, THE ARMY WITH THE PEOPLE, THE FIRST LINE WITH THE THIRD LINE, AND REGIONS WITH REGIONS. At present, the industrial and communications systems in the whole city have developed 267 integrated bodies of various types and 534 joint projects, involving over 3,000 enterprises. Of these, the combinations in which "priority products" play a leading role have shown splendid vitality. For example, the Chongqing soft drink factory producing "Tianfu Cola" has cooperated with 26 provinces, municipalities, and autonomous regions throughout the country to set up 78 affiliated factories, with its products selling well in all parts of the country and having entered the international market. In addition, a number of enterprise groups have also emerged, producing products like "Jialing motor bikes," "Sanxia electric fans," "Tongyong machines," and so on. After the third session of the "economic coordinating meeting of Sichuan, Yunnan, Guizhou, Guangxi, and Chongqing," the lateral coordination between Chongqing and these provinces has been further strengthened, and the economic combination of Shanghai, Nanjing, Hankou, and Chongqing along the Chang Jiang has initially taken shape.

THIRD, THE SOCIALIST COMMODITY MARKETS IS VIGOROUSLY DEVELOPING AND A UNIFIED SOCIALIST MARKET SYSTEM IS TAKING SHAPE. The Chongqing trade center for industrial products, the first of its kind in the whole country, has already established business relations with over 3,000 industrial and commercial enterprises in over 20 provinces, municipalities, and autonomous regions, with the variety and assortment of goods being increased from 36,000 at the very beginning to over 100,000, and involving over 1 billion yuan. Meanwhile, the markets in means of production, technology, construction, and labor have also gradually formed. The financial market has broken with the unitary vertical fund distribution, developed lateral fund accommodation, and exchanged funds in great volume with the banks in some provinces and cities. It has become the center of the financial network in the southwest region and played an important role in production and circulation in the first half of this year. It has become a reality that "people having a hard time will go to the market rather than the mayor."

FOURTH, THE PATTERN OF GOVERNMENT ECONOMIC MANAGEMENT HAS BEGUN TO CHANGE FROM BEING MAINLY DIRECT MANAGEMENT TO INDIRECT MANAGEMENT. This year, closely centering on the improvement of work styles and the issue that the leading organs and cadres should bring into play the three major roles of example, guidance, and service, the cadres at all levels of the city CPC Committee have gone deep into the realities of life to make investigations and solve problems and earnestly serve the grass-roots units. Departments like the construction management bureau and the engineering bureau have readjusted their management functions and weakened direct management and have already gained some initial experience and remarkable results. In the aspect of planned management, the planned mandatory targets in the industrial production of the whole city have been reduced from 101 to 33, the mandatory purchasing targets for commodities have been reduced from 66 to 28, and the mandatory purchasing targets in foreign trade have been reduced from 149 to 14. At present, the industrial products under mandatory planning acount for only 12 percent of the total industrial output value of the whole city. Regulated by economic means, as well as legal means, economic management has also had a good beginning.

The city CPC Committee has become more and more aware of the fact that in order to promote the exchange of dominant and secondary positions between the old and new economic structures, it is necessary not only to carry out the economic reform itself in a coordinated way but also to work in a more coordinated way in the realms of superstructure such as politics, society, ideology, culture, and so on, including how to further bring into play socialist democracy and realize political democracy; how to make the cadre system suit the needs of the economic reform and the economic modernization; how to make the arrangement of the state administrative organs more rational and scientific; how to perfect the system of socialist economic law, as well as the reforms in the fields of journalism, publishing, literature and art, and so on. In the process of these "coordinations," updating ideas and concepts is the precondition and guidance for realizing the above-mentioned synchronous reforms. Therefore, on the basis of summing up the reforms over the last 3 years, the city CPC Committee organized cadres of the whole city to further study the principles and policies of the party Central Committee regarding reform. Beginning from July, it has extensively carried on the study of the theory of socialist planned commodity economy to guide the vast numbers of cadres and the masses in correctly understanding the current reform situation, cultivating the concepts of socialist commodity economy, the market, competition, efficiency, time, information, talented people, and socialist democracy and legal system, and discarding the concepts of small production, regarding enterprises as subsidiary bodies of administrative organs, isolation, departmental ownership, monopoly, and protecting localities for fear of competition, as well as the traditional concept that party committees should undertake everything. The whole city has also set up a number of examples in updating ideas and concepts and deepening the reform. For example, the city industrial and commercial bank, which took the lead in pounding at the old financial structure, the Chongqing general vacuum bottle factory, which persists in "guiding the market," the Lianglukou department store, which has broken with the state of isolation and is now doing business flexibly, the industrial funiture company which justly and forcefully supports the reformers, and so on. The city propagates and spreads their experiences, so as to make the guiding ideology of promoting the exchange of the dominant and secondary positions between the old and new economic structures more popular among the people and constantly deepen the reform to make new breakthroughs.

YUNNAN'S PU CHAOZHU ATTENDS REPORT MEETING

HK151358 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 14 Aug 86

[Excerpts] Yesterday afternoon the propaganda department of the provincial CPC Committee held a report meeting at the provincial coliseum. Over 4,000 people from the Kunming area, provincial-level units, colleges and universities, and the PLA stationed in Kunming listened to a special report by Comrade (Qu Xiao) on ideals and what to pursue.

Party, government, and Army leading comrades attended the report meeting, including Pu Chaozhu, secretary of the provincial CPC Committee; Liu Shusheng, deputy secretary of the provincial CPC Committee; Li Guiying, chairman of the provincial People's Congress Standing Committee; Liang Jia, chairman of the provincial CPPCC Committee; Liu Minghui, member of the Central Advisory Commission now in Kunming; and (Xu Youming), political commissar of a PLA group army.

In his 3-hour report, (Qu Xiao) gave an account of the tortuous road he had taken from being a young student to becoming a glorious Communist Party member. [passage omitted]

(Qu Xiao's) report, which explained the profound in simple terms, was vivid and descriptive, hence winning the applause of the audience.

Zhao Tingguang, Standing Committee member and director of the provincial CPC Committee Propaganda Department, presided over yesterday's report meeting and spoke. [passage omitted]

On behalf of the provincial CPC Committee, Comrade Zhao Tingguang demanded that leading cadres at all levels and the broad masses in the province earnestly study Comrade (Qu Xiao's) report, draw spiritual strength from it, enhance revolutionary vigor, properly carry out reforms, develop industrial and agricultural production well, do all work properly, and make new contributions to the four modernizations in border areas.

YUNNAN PLA UNITS THANKED FOR ANTIDISASTER WORK

HK191303 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 18 Aug 86

[Excerpts] On 16 August, the Yunnan Provincial CPC Committee and provincial people's government sent a letter of thanks expressing heartfelt thanks and extending cordial regards to a certain PLA group army stationed in Yunnan, Yunnan Military District, air force stationed in Yunnan, Yunnan Provincial Armed Police Force Corps, border defense PLA units at the frontline, and all commanders and fighters for vigorously taking part in our province's struggle against floods and in the work of providing disaster relief in our province.

The letter of thanks says: Since the end of July, many places in our province have had torrential rain, which has brought about great suffering. In the face of the severe disaster, you were eager to help the people in need and promptly held urgent meetings to study and make arrangements for the work of fighting floods and providing disaster relief. Leaders at all levels led their men in a charge, went deep into the forefront, and led commanders and fighters to vigorously plunge into the struggle of rushing to deal with emergencies and of providing disaster relief. [passage omitted]

On the one hand, you maintained vigilance and defended the security of our motherland's border areas; on the other, you sent a large number of commanders and fighters and a certain amount of materials, including machinery, equipment, motor vehicles, rubber boats, and medicines, to help the masses of the localities fight drought, provide disaster relief, restore production, and rebuild their home villages or towns. [passage omitted]

You are combat heroes, models in cherishing the people, the most beloved people of the 1980's, and a good example for all people throughout the province.

At present, under the leadership of CPC committees and governments at all levels and with the vigorous assistance of the Army stationed in the localities and of all departments concerned, the masses in the disaster areas have a stable life and are restoring production. Road traffic is gradually returning to normal. We must continue to work hard, heighten our vigilance, strengthen combat readiness, and make new and still greater contributions toward overcoming natural disasters, winning a new victory in the self-defense war, and reaping a bumper harvest of industrial and agricultural production.

BEIJING VILLAGE-LEVEL PARTY RECTIFICATION TO BEGIN

SK190950 Beijing BEIJING RIBAO in Chinese 13 Aug 86 p 1

[Text] Village-level party rectification will be launched comprehensively in mid-October throughout the rural areas in the suburbs of Beijing Municipality. This was decided at the 88th meeting of the Party Rectification Guidance Group under the municipal party committee, which was held on 12 August.

More than 4,000 rural grass-roots party branches and more than 100,000 party members will participate in the village-level party rectification. The Party Rectification Guidance Group of the municipal party committee maintains: In carrying out village-level party rectification throughout the rural areas, the time is pressing and the task heavy. We must proceed from reality, give prominence to major affairs, and pay attention to the following three tasks: 1) We should penetratingly conduct education on the current situation and policies, unify the understanding of reform among the vast number of party members, and enhance their consciousness in upholding reform and correctly executing policies; 2) we should penetratingly conduct education on the party's purpose and guide party members to conscientiously lead the masses to achieve common prosperity and to correct unhealthy trends; and 3) we should penetratingly conduct education on the tasks of the grass-roots party organizations and on the standards for party members, step up the building of leading bodies, and attend to organizational building.

The current rural village-level party rectification will be aimed at leaders of party committees at the county (district) and township levels. These leaders should concentrate their time and efforts on leading the party rectification work well. To give more specific assistance and guidance to village-level party rectification work, the Party Rectification Guidance Group of the municipal party committee has decided to release 6,000 cadres from party and government organs of various cities, counties (districts), and townships, and dispatch them to the rural areas to serve as instructors and liaison personnel after they are trained.

BEIJING ADVISORY COMMISSION MEMBERS ASK TO RESIGN

SK190944 Beijing BEIJING RIBAO in Chinese 10 Aug 86 p 1

[Text] On 4 August the 20 veteran comrades, including Jiao Ruoyu of the Beijing Municipal Advisory Commission, wrote a letter to Li Ximing, secretary of the municipal party committee, seeking to resign from their membership on the municipal Advisory Commission.

The letter states: We, members of the municipal Advisory Commission, have done our part in municipal construction under the leadership of the municipal party committee over the past 3 years. However, we are getting older and older and are unsuitable to continuously occupy the posts of chairman, vice chairmen, standing Committee members, and members of the municipal Advisory Commission. In order to enable the municipal Advisory Commission to better carry out its work, we plan to offer our posts to veteran comrades who have just retreated from their leading posts at the forefront, but are still younger than us, in an effort to enable them to continuously play their role in municipal construction.

The letter states: Following our retirement, we will live happily with the concern of the municipal party committee, successfully spend our remaining years according to the "guiding principles" of inner-party political life, and continuously make contributions to the party, the people, and the great cause of communism.

The letter signed by the 20 veteran comrades, including Jiao Ruoyu, Guo Xianrui, Liu Zuchun, Yin Yukun, Du Ruo, Liu Jingxi, Lin Yuan, Zhang Qingji, Tong Zhen, Chen Erdong, Ye Lin, Wang Jinxuan, Ding Ping, Yang Jun, Zhen Shude, Zhang Xu, Peng Cheng, Zhao Dingxin, Peng Siming, and He Yizhang, asks the municipal party committee for approval of their resignation from the posts of chairman, vice chairmen, Standing Committee members, and members of the municipal Advisory Commission.

BEIJING NAMELISTS OF NEW PARTY COMMISSION MEMBERS

SK200400 Beijing BEIJING RIBAO in Chinese 10 Aug 86 p 1

[Text] Following are the namelists of supplementary and alternate members of the municipal party committee (10 persons):

Supplementary members (in the order of the number of strokes in their surnames): Wang Jun (3769 6511), Sun Zhiqiang (1327 1807 1730), Su Zhongxiang (5685 0122 4382), Lin Ruwei (2651 3067 3634), Lin Yanzhi (2651 3508 1807), Yan Chengzong (7051 2110 1350), and Zang Hongge (5258 3163 7041). Subordinate members (in the order of the number of votes received): Zhang Shulin (1728 2885 2651), Liu Kexin (0491 0344 0207), and Wang Tong (3076 4827).

Following is the namelist of 23 supplementary members of the municipal Advisory Commission (in the order of the number of strokes in their surnames): Wang Ping (3769 1627), Wang Xian, Wang Zhanzhi (3769 0594 1807), Wang Zhenzhong (3769 2182 0022), Li Ping (2621 1627), Li Zhenhai (2621 2182 3189), Li Yuming (2621 3842 6900), Min Buying (7036 2975 3467), Xiao Ying (5135 5391), Xiao Yuanlie (5135 6678 3525), Zhang Huihe (1728 1920 0735), Shan Zhaoxiang (0830 2507 4382), Gao Ke (7559 0344), Gao Yimin (7559 3015 3046), Jia Yiping (6328 0001 1627), Jia Xingwu (6328 2502 0063), Huang Guang (7806 0342), Huang Hun (7806 2495), Liang Zhanxiang (2733 0594 4382), Lu Derun (6424 1795 3387), Huo Changchun (7202 7022 2504), Xue Guanghua (5641 0342 5478), and Wei Ming (7614 2494).

Following is the namelist of six supplementary members of the municipal Discipline Inspection Commission (in the order of the number of strokes in their surnames): Lu Xueyong (4151 1331 0516), Liu Shumin (0491 2885 3046), Sun Changli (1327 1603 4539), Zhang Yanjun (1728 1693 6511), Zhang Qipeng (1728 1142 7720), and Lu Dianxuan (7627 3013 6693).

Following is the namelist of newly elected leading personnel of the municipal Advisory Commission:

Chairman: Wang Xian

Vice Chairmen: Lu Yu (7120 4416) and Liu Jianfu (0491 1017 1133).

Standing Committee members (in the order of the number of strokes in their surnames): Li Zhao (2621 2507), Li Zhenhai (2621 2182 3189), Song Ding (1345 3060), Shan Zhaoxiang (0830 2507 4382), and Xue Guanghua (5641 0342 5478).

HEBEI VILLAGE-LEVEL PARTY RECTIFICATION MEETING

SK120658 Shijiazhuang HEBEI RIBAO in Chinese 31 Jul 86 p 1

[Text] From 25 to 27 July, the provincial party committee held a meeting in Changli County to report the results of the general survey of the village-level party rectification, with the participation of directors of party rectification offices under various prefectural and city party committees.

Lu Feng, deputy director of the office under the Central Committee for Guiding Party Rectification, listened to the report and delivered a speech at the meeting. At the conclusion of the meeting, Qu Weizhen, Standing Committee member of the provincial party committee and director of the provincial Party Rectification Office, made a summing-up speech.

Since late June, in line with the unified arrangements of the provincial party committee, various prefectural, city, and county party committees have organized forces to conduct a general survey of party rectification village by village. Through the survey, they have further understood the truth of matters, communicated real situations, and found out where they have lagged behind. At the meeting, various localities reported their situations and experiences in this regard, as well as the arrangements and plans for the work at the next stage.

The meeting pointed out that our province has scored great achievements in the village-level party rectification. However, we should never only catch sight of achievements to the neglect of problems. Although there have only been a few party branches that have conducted party rectification in a superficial way or have failed to solve some of their problems and thus are required to take remedial measures, it should be noted that it remains an arduous and difficult task for us to solve the problems of various villages because the situation of various villages is complicated and most of their problems have been left over from the past. At the same time, we should notice that even those party branches which have conducted their party rectification in a good or a relatively good manner have problems of one kind or another. In particular, it should be noted that due to the insufficient understanding of party rectification and the careless work in this aspect, some leaders in some localities have failed to discover that some villages have developed party rectification in a superficial manner, and have covered up and been reluctant to admit and solve their problems. This is dangerous.

The meeting stressed that party committees at all levels must be sober-minded, overcome the unrealistically optimistic and slack mood, and make unremitting efforts to fulfill all the tasks for the village-level party rectification.

The meeting also reported and studied how to seriously and conscientiously develop the work of organizational measures and the achievements scored in party rectification.

HEBEI DEPUTY SECRETARY ON DISCIPLINE INSPECTION WORK

SK190812 Shijiazhuang HEBEI RIBAO in Chinese 9 Aug 86 p 1

[Excerpts] In his speech to the meeting of the prefectural and city Discipline Inspection Commission secretaries and the prefectural and city Discipline Inspection Commission office heads sponsored by the provincial Discipline Inspection Commission on 8 August, Xie Feng, deputy secretary of the provincial party committee and provincial governor, called on the discipline inspection departments at all levels to deeply understand the exploration course of reform, to make efforts to readjust themselves to and promote this change, and to creatively achieve the discipline inspection work in the new situation.

Comrade Xie Feng said: Under the new situation of opening to the outside world, enlivening the domestic economy, and carrying out reform, the discipline inspection departments at all levels and discipline inspection cadres throughout the province have done much work and scored great achievements in grasping education on party style and party discipline, correcting unhealthy practices, investigating and handling major and appalling cases, and promoting economic restructuring. They have been praised by the central authorities and the provincial party committee for their creative work, and their experiences have been affirmed. [passage omitted]

With regard to the issue of how to gear discipline inspection work to the needs of the new situation and make it serve reform, Comrade Xie Feng pointed out: All professions and trades should advance in the course of exploration, since there are no ready-made patterns of reform that we can follow and we must make explorations in the course of reform. We have experienced the tests of great changes, including changes in ideology, policies and the situation, from the 3d Plenary Session of the 11th CPC Central Committee to the present. Practice shows that the situation is getting better and better through these changes. Changes took place in the past and will take place in the future, too. Thus, the vast number of discipline inspection cadres should deeply understand this exploration course, happily face this change, and make conscientious efforts to promote and readjust themselves to this change. [passage omitted]

With regard to straightening out party style, Comrade Xie Feng said: We are never allowed to shake the work of straightening out party style, since it is a job of the whole party. Party and government departments and enterprises and establishments should link this work with their professional work and pay attention to it. The great orientation of reform will tend to go wrong if we neither persistently grasp both spiritual civilization and material civilization nor persistently straighten out party style. In straightening out unhealthy practices, we should solve all existing problems and make sure not to cover up realities or arbitrarily lodge charges against others.

Comrade Xie Feng concluded: We are now in the period of replacing the old economic system with a new one. We will certainly face changes in the course of exploring correct ways for reform. So we must expend all our energies to grasp this work. He urged all participants to really master the two great skills set forth by Comrade Hu Yaobang -- to upgrade the province's discipline inspection work to a new level and to make new contributions to reform.

JILIN SECRETARY THANKS NEI MONGGOL COMPANY

SK160241 Changchun Jilin Provincial Service in Mandarin 0930 GMT 15 Aug 86

[Text] On behalf of the coal industrial company of northeast China and Nei Monggol, (Ma Fengcun) and (Han Ying), leaders of the company, contributed 600,000 yuan to the disaster-stricken people in Jilin Province at 1400 today to show concern and support to them. After accepting the contributions, Gao Di and Gao Dezhan, leading comrades of the provincial party committee and the provincial government, said: The enterprises under the coal industrial company of northeast China and Nei Monggol have done their best to provide labor and materials for various localities and have made great contributions to supporting the province's anti-flood and rescue work. The people in the disaster-stricken areas will be greatly inspired knowing that the company has donated money to support them, although coal enterprises were also hit by the disasters.

Leading comrades of the company expressed that the company would go all out to support the disaster-stricken people if they need help. Leading comrades of the provincial party committee and the provincial government expressed thanks to them on behalf of the disaster-stricken people.

LIAONING RIBAO DETAILS ECONOMIC CRIME CASE

SK191020 Shenyang LIAONING RIBAO in Chinese 8 Aug 86 p 1, 3

[Text] A concerned provincial organ, and the concerned departments of Shenyang, Dandong and Benxi have investigated and handled a serious economic crime. Wang Jilong and seven other economic criminals of the Shendan General Development and Industrial Corporation were arrested according to law for investigations by judicial departments and Su Yuqin and 13 other discipline-violating personnel were punished according to party and administrative discipline.

The crimes of Wang Jilong and the others were as follows: In early 1985, Wang Jilong and the others went to Shenyang and, in the name of the Changcheng Corporation of Dandong, established the Shendan General Development and Industrial Corporation jointly with a vehicle repair and spare parts plant affiliated with the Mazhuang neighborhood committee and the Tiexi District, Shenyang . Wang Jilong served as general manager, and Liu Cunzhong and six others as managers. The above-mentioned two corporations were merely dummy corporations. Wang Jilong and others used these corporations to indulge in criminal activities, such as embezzlement, swindling and bribery, on a grand scale. Passing themselves off as army cadres and resorting to speculation, they signed false contracts and agreements on the supply of more than 60,000 tons of steel and aluminium ingots, heavy tracks, and scrap steel, involving some 36 million yuan, with eight units from September 1984 to April 1985, and cheated these units out of some 5.21 million yuan in advance payments, of which some 1.03 million yuan owed to four units could not be collected, thus bringing grave economic losses to the state and collective units. They also embezzled and misused more than 151,000 yuan in public funds by making false profit reports to attract money and dividing it among themselves, abusing authority to draw "benefits," and paying back personal debts with public funds. Of the sum, some 84,000 yuan was embezzled and misused by Wang Jilong, some 39,000 yuan by Hu Haiming, 20,000 yuan by Wang Hong, 5,000 yuan by Li Ruisheng, and 1,600 yuan by Zhu Ying.

Wang Jilong and others still publicly engaged in bribery after their crimes were brought to light. In September 1984, bringing more than 9,000 yuan in cash with them, Wang Jilong and others went to Benxi, and were detained by public security organs. [paragraph continues]

Through Wei Wenhuan, director of the Political Work Section of the Pingshan District Public Security Bureau of Benxi, and Feng Guide, deputy director of the general office of the bureau, Wang and others requested the seized cash, seals, and blank letters of introduction. Later, Wang Jilong and others bribed Wei Wenhuan with a Toshiba color television made in Japan worth 1,863 yuan, and reimbursed him for some 170 yuan in traveling expenses. In December 1984, Wang Jilong, Hu Haiming, and others made false profit reports and drew 60,000 yuan in cash. They used the money to bribe Yu Dongfeng and Jin Guicheng with 5,000 yuan each. In addition, they used false names to give Yu and Jin 2,200 yuan in wages.

The major discipline violation activities of Su Yuqin and others are as follows: The first was to hire "talent" without forethought in order to make money. In December 1984, in order to realize the target of creating an annual profit of 1 million yuan, Su Yuqin, secretary of the party committee of the Mazhuang neighborhood committee of Tiexi District, Shenyang, and Wang Qinghai, vice chairman of the neighborhood committee, discovered Wang Jilong, the "talent." Cheated by Wang Jilong, who said that the 500,000 yuan investment in the Changcheng Corporation had yet to be transferred, Su Yuqin and others forged an investment and trust certificate for a business license, and established the Shendan Corporation, hiring Wang Jilong as the general manager. Most of the managers recruited by Wang were jobless persons and those released from prison. The second was the decision to engage in shipbreaking business without authority, thus causing a huge deficit. After Wang Jilong and others were arreested, and the Changcheng Coroporation was sequestered, Su Yuqin held a leading body meeting, and decided to take over the old ship that the Changcheng Corporation had bought with 2.8 million yuan without its permission to engage in the shipbreaking business. They concealed the truth and obtained the permission of the district Industrial and Commercial Bureau. As a result, Su Yuqin and others suffered a loss of some 350,000 yuan, and owed order-placing units the advanced payments. The third was to use the huge amount of money they gained through fraud to buy up goods and resell them at a huge profit. After Wang Jilong was arrested, at the leading body meeting, Su Yuqin decided to use the 500,000 yuan of advance payments they gained through fraud to buy 1,000 tons of shipbreaking boards from the Xinjin County Industrial Supply and Marketing Company, and then he sold the shipbreaking boards to the Keshan County Means of Production Company of Heilongjiang Province, and received 470,000 yuan in advance payment from the company. Now the neighborhood committee still owes the Keshan County company 270,000 yuan in advance payments in the name of the Shendan Corporation, and is unable to repay it. At the same time, Su Yuqin and others also decided to use the name of the Shendan Corporation to establish a joint shipbreaking plant with Dalian's Dongchan Joint Company, and lent the Dongchan Joint Company 200,000 yuan they gained by fraud, which has not been regained so far.

To date, judicial organs of Shenyang and Dandong have handled criminals Wang Jilong, Liu Cunzhong, Hu Haiming, Wang Hong, Li Ruisheng, Zhuying, Yu Dongfeng and Jin Guicheng according to law. Of them, Yu Dongfeng and Jin Guicheng have been expelled from the party, and Yu Dongfeng has also been dismissed from the post of village head, and had his qualification as a deputy to the district People's Congress nullified. Relevant departments and party organizations have also made the following decision concerning Zhang Yuxiang, Su Yuqin and others who violated law and disciplin: Zhang Yuxiang, former director of the security section of the Benxi Iron and Steel Company and a retired cadre, was expelled from the party, and his illegal gains were confiscated; Su Yuqin, secretary of the party committee of the Mazhuang neighborhood committee of Tiexi District, Shenyang, was expelled from the party; Wang Qinghai, vice chairman of the Mazhuang neighborhood committee of Tiexi District, Shenyang, was expelled from the party and dismissed from the administrative post of vice chairman; Wei Wenhuan, former deputy director of the Political Work Section of the Pingshan District Public Security Branch Bureau, Benxi, was expelled from the party, had all the money and materials that he had gained through illegal means confiscated, and was transferred from the public security organ; Wang Shuquan, secretary of the party branch of the Mazhuang Street vehiole repair and spare parts plant in Tiexi District, Shenyang, and concurrently director of the plant, was expelled from the party and dismissed from the administrative post of director, and the double wages he had drawn were seized; Qu Shulin, vice chairman of the Mazhuang neighborhood committee of Tiexi District, Shenyang, was placed on probation within the party for 1 year and dismissed from the administrative post of vice chairman of the neighborhood committee; Xu Chunlan, cashier of Jiuliancheng Village of the Jiuliancheng Town of Zhenan District of Dandong City, was placed on probation within the party for 1 year and dismissed from the post of cashier; Feng Guide, deputy director of the General Office of the Pingshan District Public Security Branch Bureau, Benxi, was given a serious disciplinary warning within the party; and Sun Yanxiang, former head of Jiuliancheng Village, Dandong, was given a disciplinary warning within the party.

In addition, relevant departments of Shenyang, Dandong and Benxi also took administrative discipline against Comrades Wang Fengwu, Ji Xueru, Yu Lianzhi, Wang Kunxue, and Zhi Peilin.

BOFT OFFICIAL VIEWS TRADE TALKS WITH U.S.

OW190840 Taipei CHINA POST in English 14 Aug 86 p 12

[Text] Board of Foreign Trade [BOFT] Director General Vincent Siew, chief ROC [Republic of China] negotiator in the recent held ROC-U.S. trade talks in Washington, returned home yesterday. Siew said that the talks have "calmed the tense situation between both countries" and that the ROC's decision to annul its controversial duty-paying tables have defused planned U.S. retaliation.

He added that the ROC managed to retain its GSP status in the U.S.. ensuring access to the American market. According to Siew, his side was able to negotiate for U.S. $1.8 billion worth of trade benefits.

Siew stressed that the ROC's main goal was to negotiate a fair trade agreement and not to build an image of strength.

Another round of trade talks is scheduled for later this month in Taipei, when the issue of U.S. tobacco and wine imports will be taken up.

Siew further noted that although tariff revisions and the issue of U.S. access to the ROC's insurance market were satisfactorily discussed, negotiations on five other major issues including the ROC's self-imposed limits on machine tool and steel exports to the U.S., its export ratio requirement for cars, U.S. requests for entry into the ROC's land transport industry, and an ROC-U.S. grain trade agreement have yet to be finalized.

Director General Siew explained that since the U.S. has negotiated separate textile agreements with the ROC, South Korea and Hong Kong, the ROC is not in a position to ask for reopening of ROC-U.S. textile talks at present. The textile accord signed last July, allowed for growth of only 0.5 percent annually in ROC textile exports to the U.S.

U.S. PROTECTIONISM MAY IMPERIL NEW GRAIN ACCORD

OW190635 Taipei CNA in English 0257 GMT 19 Aug 86

[Text] Taipei, Aug. 18 (CNA) -- Vincent C. Siew, director general of the Board of Foreign Trade [BOFT], said Monday that the Republic of China [ROC] is expected to sign a new grain accord with the United States in September to buy at least 18 million metric tons of grains from the U.S. in the next five years.

Siew made the remark while receiving William Grittin, president of the U.S. Feed and Grain Association, at his office in Taipei Monday. Grittin told Siew that he hopes the two countries will sign the new agreement as soon as possible because the current Sino-American grain agreement expired in June this year.

Siew promised that he will urge the domestic importers to sign the new agreement in September this year, but added that he hopes American grain growers will stop their support of U.S. trade protective measures calling for restrictions on foreign imports. He said it will be difficult for BOFT to ask domestic importers to purchase grain from the U.S. if American grain growers continue to support trade protectionism.

The new agreement, if signed, will be retroactive to July 1. Under the new agreement, the ROC is expected to buy 18.75 million metric tons of grain from the U.S., including 10 million metric tons of maize, one million metric tons of barley, 2.75 million metric tons of wheat, and five million metric tons of soy beans.

Meantime, Lin Kun-chung, president of the ROC Joint Committee for Maize Imports, said that his committee will not sign the new agreement until American maize growers openly support the principle of free trade. Lin expressed dissatisfaction with a resolution passed by American maize growers calling for trade protectionism saying that such an attitude makes it very difficult for his committee to continue to do business with them.

Lin threatened that his committee will not take part in the Buy-American mission scheduled to leave for the U.S. by the end of August until American maize growers expressed their attitude.

CHINA POST EDITORIAL HAILS U.S. ARMS SALES

OW190820 Taipei CHINA POST in English 13 Aug 86 p 4

[Editorial: "U.S. Renews Arms Sales to ROC"]

[Text] The U.S. Defense Department's latest notification to U.S. Congress Friday of its intention to sell equipment to upgrade the ROC's [Republic of China's] S-2 submarine-hunting airplanes represents a renewal of U.S. arms sales program to the Republic of China.

The move is in line with the requirements of the Taiwan Relations Act of 1979 requiring the United States to "make available to Taiwan such defense articles and defense services in such a quantity as may be necessary to enable Taiwan to maintain a self-defense capability."

If there is no objection by the Congress, the ROC government will be allowed to contract for improvements in two of its S-2 aircraft, and then obtain special avionics equipment and engineering kits to upgrade another 30 of its aging planes.

The total transaction is worth U.S. $260 million, according to a Pentagon statement, and the Grumman Aerospace Corp. will serve as prime contractor. The U.S. Navy will oversee such transactions. Although no U.S. military personnel will be sent to Taiwan, 30 Grumman representatives will be in Taiwan for three years.

The above arms sales will increase the ROC's capabilities in countering Chinese Communist or other Communist submarine threats in this region. It is a positive move which is urgently needed to boost the morale of the people of the Republic of China after the recent offer from the United States to Peking for sales of U.S. $550 million of avionics and equipment to that despotic regime, which could pose a serious threat to the freedom and security of the Asian-Pacific region and especially to the Republic of China. Although the total value of U.S. $260 [as published] is less than half that of the U.S. arms sales to Peking, it is nevertheless a good beginning. More arms sales should be authorized before long to stabilize the situation in the Taiwan Strait as the Chinese Communists have repeated their determination to settle the Taiwan issue by force.

In doing so, Peking has violated the August 17, 1982 Joint Communique which was based on Peking's avowed peaceful intentions in settling the Taiwan issue. Its violation has rendered that joint communique void, not to mention the fact that it is in violation of the Taiwan Relations Act.

Peking's protest through the HSINHUA NEWS AGENCY Saturday describing the arms sales offered to the ROC as "an act of defiance" by Washington of the Chinese Communists' consistent stand against U.S. sales of weapons to Taiwan should therefore be rejected by the United States. Peking has no right to interfere with the United States in implementing the Taiwan Relations Act, which is the law of the land.

Moreover, as a result of a recent overture from Mikhail Gorbachev to Peking for improvement of Peking-Moscow relations, the United States should stop playing the Red China card against the Soviets as such a strategy has failed to separate them but has actually brought them together. According to a revelation by highly placed Soviet KGB defector Anatoliy Golitsiyn, the much publicized Peking-Moscow split is nothing more than a "strategic deception". His views were revealed by a noted scholar, Dr. Anthony Kubek, in his recent letter to the editior in THE NEW AMERICAN magazine in which he urged American political leaders to discard the notion of playing the so-called "China card" against the Soviet Union. Dr. Kubek said that "no concessions by the U.S. can make the Chinese Communists renounce their intention to use force against Taiwan."

The Gorbachev overture to Peking should serve as to signal the utter failure of the Red China card policy to restrain the Soviets. That policy should be abandoned without delay. The only feasible policy for the United States to adopt is to strengthen its allies and friends in the Asian-Pacific region such as is represented by the recent offer of arms sales to the Republic of China. It should cease flirting with its enemies, which is like playing with fire.

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RENMIN RIBAO ON SOVIET-ISRAELI CONSULAR TALKS

HK201341 Beijing RENMIN RIBAO in Chinese 19 Aug 86 p 6

["Commentary" by reporter Chen Jichang from Damascus: "Background of the Soviet-Israeli Consular Talks"]

[Text] After a 19-year break in diplomatic relations, Soviet and Israeli delegations held their first formal talks in Helsinki today. The talks were abruptly ended 90 minutes after they began. Still, this new, important move in Soviet-Israeli relations is of interest to many.

According to measures agreed upon by the two countries, the talks would mainly discuss consular issues, and following the talks, a Soviet delegation would visit Israel for further negotiations.

News of this meeting was first announced by Israel. The Israeli Government spokesman said: The Soviet Union asked that the two countries hold a meeting, and Israel accepted the Soviet proposal without putting forward any preconditions. Later, in confirming this news, the Soviet Foreign Ministry spokesman stressed that this meeting is nonpolitical and would mainly deal with the question of Soviet properties in Israel. It does not signify any change in the USSR's policy towards the Middle East.

Even though the USSR tried to play down the political significance of this meeting, Arab sources here widely believed the both the USSR and Israel have their respective political objectives in the meeting. While the Soviet Union naturally hopes to resolve through this meeting the questions involving its concrete interests in Israel such as properties and nationals; most important, it hopes to break the U.S. monopoly of Middle East affairs, expand Soviet influence in the Middle East, and further gain a foothold on the Middle East political stage in order to be on equal footing with the United States. Everyone knows that the USSR has consistently advocated the holding of an international conference to settle the Middle East issue, while Israel proposed that only by resuming diplomatic ties with it can the USSR play a role in Middle East affairs. Thus, the Soviet-Israeli Helsinki talks are essentially the USSR's stepping stone to establishing formal ties with Israel later. Soviet reporter Louis minced no words in pointing out: "These Soviet-Israeli talks are an important step towards normalization of relations between the two countries, and the Arab states will have to swallow this bitter pill and accept reality." On the other hand, Israel intends to use the establishment of Soviet-Israeli diplomatic relations as a bargaining chip to force the Soviet Union to relax restrictions against immigration of Jews to Israel. It is demanding that the USSR allow millions of Jews currently in the Soviet Union the freedom to immigrate overseas. Indeed, Israel also hopes that normalization of relations with the USSR could change its "one-sided" policy in favor of the Arab states in the Middle East, and therefore put an end to Israel's isolation in the region. Israeli Prime Minister Peres said: The Soviet-Israeli Helsinki talks would be "a step towards Israel's breaking its isolation and gaining development and stability."

TEACHERS BEGIN INITIATION TO AMERICAN CULTURE

OW200630 Beijing XINHUA in English 0615 GMT 20 Aug 86

[Text] New York, August 19 (XINHUA) -- Forty-eight Chinese middle school teachers today began a year-long initiation to American culture as guests of American families in 20 states all over the country.

At a reception last night at the New York headquarters of the American Field Service (AFS), which this year is hosting nearly 100 teachers from China, Thailand, Indonesia and Chile, AFS Vice President Don Mohanlal said, "When you train a student, only one students benefits from it, but when you train a teacher, a whole class will benefit from it."

He said his six visits to China have convinced him of the significance of the project, adding "I will be going to China again in two weeks to discuss ways of further promoting cultural exchanges between AFS and China."

One host, Phyllis McGrath, from the state of Connecticut, said, "The Chinese teachers are very hard working and have brought freshness to our town. We love to have them and regard them as good-will ambassadors from China."

Liu Manan, a teacher from China's Hunan Province, told the reception "We brought with us two baskets, one is filled with our friendship and goodwill towards the American people, the other filled with our knowledge of Chinese culture and tradition." She expressed the hope that when the Chinese teachers return home after one year of study, "they will also bring back two baskets, one filled with English and knowledge about America, the other with friendship and goodwill of the American people to the Chinese people."

During the last four decades, AFS, a non-governmental organization founded in 1946 by ambulance drivers in the two world wars, has sponsored 30,000 students from countries in Europe, Asia, Africa and Latin America to study abroad for a period of six to 12 months.

China first participated in AFS activities in 1982, when William M. Dyal, the current AFS president, visited China and reached agreement with Chinese education authorities to bring Chinese middle school teachers to the United States, Britain, Canada, Australia, New Zealand and Japan to study English an Japanese. China, in return, agreed to accept students from these countries to study Chinese and other subjects in Chinese universities.

It should be remembered that a year ago, special envoys from the USSR and Israel met secretly in Paris. Reports at that time said that the two countries were exploring the possibility of resuming diplomatic relations.

However, owing to strong reactions from some Arab states, the USSR slowed its tempo. The Arab states harbored suspicions on the Soviet-Israeli talks. In order to eliminate these suspicions, the USSR not long ago sent special envoys to sell and explain the idea to the Arab states, but with very little result. On 11 August, Kuwaiti Foreign Minister Sabah stated that the USSR placed its own interests above sympathies to the Arab cause.

The Soviet-Israeli talks have also aroused the vigilance of the U.S. according to an Israeli radio broadcast, the U.S. has sent a delegation to Helsinki to "monitor" the progress of the talks. The long-standing disruption in diplomatic relations between the USSR and Israel created favorble conditions for the U.S. monopoly of Middle East affairs. The Soviet's present drastic decision to have direct contacts and talks with Israel is reversing the tide. In effect, this reflects another face in the intricate struggle of the two superpowers in the Middle East.

Observers believed that owing to restraints imposed by various factors, the Soviet-Israeli Helsinki talks would not proceed smoothly and, instead, would see an intense bargaining and struggle. The issue of resumption of diplomatic relations would also not figure in the agenda of this meeting.

XINHUA ON GORBACHEV'S NUCLEAR TEST MORATORIUM SPEECH

OW190134 Beijing XINHUA in English 2358 GMT 18 Aug 86

[Text] Moscow, August 18 (XINHUA) -- Soviet leader Mikhail Gorbachev announced tonight that his country will extend its unilateral nuclear testing moratorium till January 1, 1987.

Gorbachev said in a speech carried on radio and television that he was confident that "agreement on ending nuclear tests can be reached speedily and signed this year at the Soviet-American summit meeting."

The agreement, he said, would be "the main real outcome of the meeting, a considerable step on the way towards ending the arms race."

The Soviet Union began its unilateral moratorium on nuclear blasts on August 6, 1985, and extended it twice. The last extension expired on August 6 this year, the 41st anniversary of the atomic bombing of Hiroshima.

In his speech, transmitted by the official news agency TASS, Gorbachev criticized the United States for "exploding another 18 nuclear devices" in the period of the Soviet moratorium, noting that three of them were not announced. "The U.S. foreign policy with all its intricacies and verbal camouflage continues to be based on the following dangerous delusions: The underestimation of the Soviet Union... as well as the overestimation of its own potentialities," Gorbachev said.

He stressed that the security of the Soviet Union is "sacred" to Soviets and is "a matter of principle." He declared that his country is ready to "answer any challenge of the United States, including the notorious SDI (Strategic Defense Initiative)."

"If need be, we shall promptly come up with the answer, and it will not be what the United States expects. But it will be the answer that will devalue the 'star wars' program," the Soviet leader warned.

Observers here suggest that Gorbachev, by extending his country's nuclear testing suspension, intends to pressure the U.S. administration into making some concessions on the nuclear test band at his second meeting with U.S. President Ronald Reagan in Washington late this year. Some observers here say Gorbachev's speech gives them the impression that the Soviets seem to be sure that an agreement on the nuclear ban could be reached at the next Soviet-U.S. summit 19 Aug.

PRC-MPR-USSR RAILWAY CONFERENCE ENDS 21 Aug

OW210820 Beijing XINHUA Domestic Service in Chinese 0658 GMT 21 Aug 86

[By reporter Wang Yimin]

[Text] Ulaanbaatar, 21 Aug (XINHUA) -- A railway conference attended by Chinese, Mongolian, and Soviet representatives concluded here today. It was the first of its kind in 20 years.

Attending the 11-day conference were a Chinese railway delegation headed by Song Zongbao, deputy director of the Hohhot Railway Bureau; a Mongolian railway delegation headed by (Sanjaadzabu), first deputy director of the Ulaanbaatar Railway Bureau; and a Soviet railway delegation headed by Maksimov, deputy director of the East Siberia Railway Bureau. Based on the principle of equality and mutual benefit, they carried out full consultations and signed a new protocol on the questions of the improvement of the transport organizations, the hand-over procedure for and the transshipment of cargo, as well as the settlement of accounts.

The Sino-Mongolian-Soviet railway representatives' conference was suspended in 1966. The enormous increase in the volume of railway transportation involving the three countries has necessitated the resumption of the conference.

The 1986 annual meeting of the Sino-Mongolian Boundary Railway Joint Commission also took palce in Ulaanbaatar at the same time.

The Chinese railway delegation arrived in Ulaanbaatar on 10 August. While in Mongolia, the delegation visited factories, enterprises, and cultural facilities. It departed Ulaanbaatar for home on 21 August by train.

SOVIET PARLIAMENTARY DELEGATION ARRIVES IN BEIJING

HK211156 Hong Kong AFP in English 1150 GMT 21 Aug 86

[Text] Beijing, Aug 21 (AFP) -- A Soviet parliamentary delegation arrived here Thursday to discuss economic issues with officials of the National People's Congress (parliament), an informed Soviet source said.

The delegation, only the second of its kind since the Sino-Soviet split in the early 1960's, is to stay about one week, the source said. It is led by Nikolay Maslennikov, head of the Budget and Planning Commission of the Supreme Soviet.

The delegation was to begin its meetings Thursday at the People's Palace, the seat of China's parliament, the Soviet source said. They are also expected to visit Shanghai, where the staff of the first Soviet Consulate to be reopened since Moscow and Beijing split in the 1960's arrived Saturday, according to informed East European sources.

The visit comes shortly before one scheduled by Soviet First Vice-Premier Nikolay Talyzin during the first 10 days of September. Another first vice-premier, Ivan Arkhipov, has met several Chinese officials since he arrived here July 27 on a private visit for acupuncture treatment.

The last Soviet parliamentary delegation to China, in October 1985, formalized the resumption of Sino-Soviet contacts on the parliamentary level for the first time in more than 20 years.

Sino-Soviet relations have been improving since 1982, when Beijing and Moscow began talks on normalizing relations, and there has been a growing number of exchange visits between Chinese and Soviet officials.

PRC TO SEND 385 ATHLETES TO GAMES IN SEOUL

OW201036 Beijing XINHUA in English 0946 GMT 20 Aug 86

[Text] Beijing, August 20 (XINHUA) -- A total of 28 countries and regions have decided to participate in the upcoming 10th Asian Games to be held in Seoul, South Korea, from September 20 through October 5, according to reports reaching here from Seoul. The largest sports festival in Asia expects to attract more than 4,000 athletes to compete in 25 items. A total of 269 gold medals will be awarded. Four new events -- judo, fencing, bowling and tae kwon do which contain 70 gold medals, will be added to the program. According to the schedule, there will be a number of 171 top glories for men and a total of 80 laurels for women, in addition to 15 gold medals in the events for both men and women and three in the mixed events.

South Korea has decided to send 495 athletes -- the largest entry for the games, while Japan will deliver 455 athletes, second only to the hosts in number. Both two teams will compete in all 25 items. The third largest entry will be India which is expected to compete in 22 events with 425 athletes. Defending champion China will feature 385 athletes in 20 items.

The 25 events contained in the program will be as follows: athletics (42 golds), swimming (34), shooting (30), wrestling (20), gymnastics (14), archery (12), boxing (12, bowling (12), weightlifting (10), cycling (9), judo (8), fencing (8), rowing (8), taekwondo (8), badminton (7), tennis (7), table tennis (7), equestrian (6), yachting (5), golf (2), basketball (2), volleyball (2), field hockey (2), football (1) and handball (1).

During the games, the congress of the Olympic Council of Asia, the executive meeting of International Olympic Committee and congresses of Asia's individual sports organizations will be held.

YOUTH DELEGATION LEAVES FOR DPRK 20 AUG

OW200808 Beijing XINHUA in English 0648 GMT 20 Aug 86

[Text] Shenyang, August 20 (XINHUA) -- A Chinese youth delegation left Dandong, Liaoning, today by train for a two-week friendly visit to the Democratic People's Republic of Korea at the invitation of the Central Committee of the Socialist Working Youth League of Korea. The 206-member delegation headed by Song Defu, first secretary of the Chinese Communist Youth League Central Committee, is formed by workers, peasants, youth league cadres, soldiers, students, scientists, artists, journalists and representatives of family members of martyrs of the former Chinese People's Volunteers.

Visits Pyongyang

OW201846 Beijing XINHUA in English 1827 GMT 20 Aug 86

[Text] Pyongyang, August 20 (XINHUA) -- More than 200 Chinese youth league members arrived here today as part of an exchange with the Korean Youth League. Leaders of the two leagues expressed their desire to learn from each other in speeches at a dinner given by Choe Ryong Hae, chairman of the League of Socialist Working Youth of Korea, in honor of the vis[illegible]ese delegation led by Song Defu, first secretary of the Chinese Communist Youth League Central Committee. The two sides also said they hoped more exchanges between the young people of the countries would take place. Last year, 500 Korean Youth League members visited China.

SRV TROOP WITHDRAWAL OFFER 'SAME OLD TRICKS'

OW210403 Beijing Domestic Service in Mandarin 1050 GMT 20 Aug 86

["International Current Events" commentary: "Vietnam Plays the Same Old Tricks Without Changing Its Position"]

[Text] Vietnam, Laos, and the bogus Phnom Penh regime held the so-called 13th conference of foreign ministers of the three Indochinese nations in Hanoi 17 and 18 August.

The conference's communique shows that Vietnam, while glibly talking about a political solution of the Cambodian question, continues to assail the Cambodian resistance forces without justification. It is playing the same old tune of so-called partial withdrawal of troops fom Cambodia and has doggedly rejected the 8-point proposal for a political solution to the Cambodian question presented by the Coalition Government of Democratic Kampuchea (CGDK). By playing the same old tricks, Vietnam shows that it still clings to the position of armed occupation of Cambodia.

The so-called partial withdrawal of Vietnamese troops from Cambodia is only a substitute for the armed occupation of that country. We all know that Vietnam's armed aggression against Cambodia has incurred strong international denunciation. The UN General Assembly has repeatedly demanded that Vietnam withdraw all its aggressor troops from Cambodia. Vietnam has become the target of international criticism, and found itself in a very awkward position. To get away from international condemnation, Vietnam adopted the high-sounding tone of withdrawing part of its troops from Cambodia, and actually performed the farce of partial troop withdrawal.

Although it has not been too long since [words indistinct] until now Vietnam has not withdrawn a single soldier from Cambodia. The so-called partial troop withdrawal is, at most, a troop rotation for the Vietnamese aggressors in Cambodia.

The communique says the CGDK's 8-point proposal for political solution to the Cambodian question is divorced from Cambodia's actual situation and is unacceptable to Hanoi. Actually the situation in Cambodia is this: Vietnam's armed aggression against Cambodia has brought about tremendous calamities to the Cambodian nation, and the Vietnamese aggressors have met with stiff resistance from the anti-Vietnamese forces led by the CGDK. These forces have grown in strength and won widespread support. On the other hand, the Vietnamese aggressor troops are low in morale and combat readiness, and are deeply bogged down. The puppet Cambodian regime supported by Vietnam goes against the people's will.

Under these circumstances, the CGDK put forward a fair, reasonable and generous 8-point proposal, which is widely supported in the international community. However, no sooner had the CGDK put out the 8-point proposal than Vietnam rejected it without any justification. Now, Vietnam again rejects the proposal under the pretext that it is divorced from Cambodia's actual situation. This shows that Vietnam still refuses to seek a political solution to the Cambodian question, or to cough out the hard bone, Cambodia, which is stuck in its throat. it is uncomfortable to have a bone in one's throat. The only way is to cough it out as soon as possible. This means Vietnam should follow the CGDK's 8-point proposal and join the CGDK in seeking a political solution to the Cambodian question. Otherwise, no matter how often Vietnam plays its old tricks, it is useless if it does not change its position.

WAN LI TO VISIT AUSTRALIA, NEW ZEALAND

OW200724 Beijing XINHUA in English 0719 GMT 20 Aug 86

[Text] Beijing, August 20 (XINHUA) -- Chinese Vice-Premier Wan Li will pay a goodwill visit to Australia and New Zealand from September 5 to 20 at the invitation of Australian Prime Minister Bob Hawke and New Zealand Prime Minister David Lange. Among the principal members of Wan's entourage are premier's special assistant Chen Chu and Vice-Foreign Minister Zhu Qizhen.

Australia Announces Visit

OW210126 Beijing XINHUA in English 0056 GMT 21 Aug 86

[Text] Canberra, August 20 (XINHUA) -- Chinese Vice Premier Wan Li will visit Australia from September 5 to 13, the Australian prime minister's office announced today. The official statement said Wan, a key figure in the process of modernizing the Chinese economy, will meet with Australian Prime Minister Bob Hawke and other senior ministers.

During his stay in Australia, the Chinese premier will visit Melbourne, Sydney and rural areas. The visit follows the Australian prime minister's visit to China in May, and will continue the now-established tradition of regular, high-level visits marking the warmth and maturity of the relationship between the two countries, the statement said.

XU XIN HOSTS BANQUET FOR THAI DEPUTY ARMY CHIEF

OW201810 Beijing XINHUA in English 1435 GMT 20 Aug 86

[Text] Beijing, August 20 (XINHUA) -- Xu Xin, deputy chief of the General Staff of the Chinese People's Liberation Army, reiterated here today China's support for the government and people of Thailand in their struggle to protect their national dignity. Speaking at a banquet welcoming Gen. Akkaphon Somrup, acting deputy commander-in-chief of the Royal Army of Thailand, and his party here this evening, Xu said that the Vietnamese policy of aggression and expansion is the root cause of instability in Southeast Asia.

He emphasized that under the present circumstances, to strengthen Sino-Thai friendship is not only in the interests of the two countries, but also of great significance for supporting the Kampuchean people in their struggle against the Vietnamese aggressors, and maintaining peace and stability in Southeast Asia and the Asian-Pacific region as a whole.

Xu noted that the Chinese and Thai Armies have increased their contacts along with the development of Sino-Thai friendly cooperation in recent years. The Thai visitors, who arrived here yesterday, visited a tank unit of the Chinese Army today.

AUSTRALIAN WARSHIPS LEAVE SHANGHAI 20 AUG

OW200814 Beijing XINHUA in English 0641 GMT 20 Aug 86

[Text] Shanghai, August 20 (XINHUA) -- Two frigates of the Royal Australian Navy "Derwent" and "Parramatta" left here today for the Philippines after a four-day visit. During their stay here the Australian Navy officers and men visited Chinese Navy vessels, a jade carving factory, a carpet factory and the Shanghai zoo, and attended a performance of song and dance items.

PAKISTANI FOREIGN SECRETARY IN BEIJING FOR VISIT

Discusses Gorbachev Speech

HK210400 Hong Kong AFP in English 0329 GMT 21 Aug 86

[Text] Beijing, Aug 21 (AFP) -- Visiting Pakistani Foreign Secretary Abdul Sattar has discussed with Chinese officials Soviet leader Mikhail Gorbachev's Asian initiative, sources close to the talks here said Thursday.

Mr. Sattar, who is in Beijing on a four-day visit, met Wednesday with Chinese Deputy Foreign Minister Liu Shuqing for an exchange of views on regional and international issues that included discussion of Mr. Gorbachev's announced partial pullout of troops from Afghanistan, the sources said.

Each side reaffirmed previously announced views on Mr. Gorbachev's speech in Vladivostok on July 28, with China saying that it was encouraged but awaiting concrete developments and Pakistan repeating that the key to a political settlement in Afghanistan was early withdrawal of foreign troops, the sources said.

The sources, who asked not to be identified, said the meeting was the first in a planned series of regular exchanges of views on foreign affairs at the secretarial level which would take place annually, the schedules of the ministers permitting.

Mr. Sattar was to have a courtesy meeting Thursday with Chinese Foreign Minister Wu Xueqian and return to Pakistan on Friday, the sources said.

Comments on Afghan Issue

OW201439 Beijing XINHUA in English 1429 GMT 20 Aug 86

[Text] Beijing, August 20 (XINHUA) -- Chinese Vice-Minister of Foreign Affairs Liu Shuqing and Pakistani Foreign Secretary Abdul Sattar, held talks here today to exchange views on the Afghan problem, the regional situation and bilateral relations.

During their talks, Sattar said that the key to a political solution to the Afghan issue lies in the early withdrawal of foreign troops from Afghanistan.

Liu expressed appreciation for Pakistan's just stand on the Afghan issue and its humanistic aid extended to some three million Afghan refugees.

They both expressed the hope that the South Asian nations would maintain good neighborliness and strengthen regional cooperation to promote peace, stability and the development of their region. They also expressed satisfaction with the friendly relations between China and Pakistan, and agreed to make further efforts to promote friendship between the two countries.

Liu hosted a dinner for a delegation from the Pakistani Foreign Ministry led by Sattar, here this evening. The Pakistani delegation arrived here yesterday.

PRC ELECTED TO INDO-PACIFIC MEDICINE CONGRESS

OW171004 Beijing XINHUA in English 0828 GMT 17 Aug 86

[Text] Colombo, August 17 (XINHUA) -- China has been elected council member of the Indo-Pacific Congress on Legal Medicine and Forensic Science which is meeting here from August 14 to 18.

At a council meeting of the congress last evening, Lin Weixin, member of the Standing Council of the Chinese Society of Forensic Science and director of forensic laboratory of the High People's Court of Shanxi Province, was elected vice-president, and Liu Yao, member of the Standing Council of the Chinese Society of Forensic Science and deputy director of the Institute of Forensic Science of the Public Security Ministry of China, elected member of the council of the congress.

The second congress meeting was attended by more than 130 representatives from 38 countries all over the world. It recieved over 3,000 theses on legal medicine and forensic science.

Forensic medicine has a long history in China, dating back to the 13th century. "The Washing Away of Wrongs" written by great medical examiner Song Ci of the Song Dynasty and published in 1247, was widely recognized as the oldest classics on forensic medicine in the world. It has been published in 19 versions and in six languages.

Due to various historical reasons, however, the Chinese forensic medicine progressed rather slowly in modern history.

Since the founding of New China, the Chinese Government has paid great attention to forensic medicine and taken many important measures to develop it. The ranks of medical examiners have been growing steadily and many works on forensic medicine have been published.

The Foresic Medicine Society of China which was set up last October, sent its first delegation to take part in the Indo-Pacific Congress. The Chinese representatives submitted three theses at the first day meeting to the great interest of the participants.

Sri Lankan President J.R. Jayewardene received the Chinese representatives and had a friendly conversation with them after the inaugural meeting.

SONG PING GREETS HUNGARY'S LAJOS FALUVEGI

OW210656 Beijing XINHUA in English 0634 GMT 21 Aug 86

[Text] Beijing August 21 (XINHUA) — Lajos Faluvegi, vice-chairman of the Council of Ministers and Chairman of the National Planning Office of Hungary, arrived here this afternoon by a special flight for a friendly visit to China.

He was greeted at the airport by Song Ping, Chinese state councillor and minister in charge of the State Planning Commission.

During his visit in China, Faluvegi will discuss with Chinese economic officials the economic situation and planning administration in the two countries and bilateral economic, technological cooperation.

Faluvegi is scheduled to hold talks with Song Ping tomorrow.

EAST EUROPEAN COUNTRIES SUUPPORT USSR MORATORIUM

OW210145 Beijing XINHUA in English 0047 GMT 21 Aug 86

[Text] Bucharest, August 20 (XINHUA) — Romanian President Nicolae Ceausescu today welcomed the Soviet Union's new nuclear test moratorium and appealed to the United States for positive response, the offical news agency AGERPRES reported.

He said that he hoped an acceptable agreement will be reached this year between the two superpowers. A stop to nuclear tests will show the sincerity for ceasing the arms race, he added.

He stressed that all peace-loving forces should make further efforts for all-round arms reduction.

Governments and media of other Eastern European countries, including Democratic Germany, Czechoslovakia, Bulgaria and Poland have also voiced their support for the moratorium.

The Soviet Government announced Tuesday it would extend its moratorium on nuclear test till January 1, 1987. The moratorium began on August 6, 1985, and was extended twice till August 6 when it expired.

BANKRUPTCY WARNING SAVES HUBEI RADIO FACTORY

HK200407 Beijing RENMIN RIBAO in Chinese 13 Aug 86 p 2

[Newsletter by Cao Siyuan: "Rising With Force and Spirit After Having a Good Cry — The Choice Made by the Wuhan Radio Plant No 3 After a Yellow-card Warning"]

[Text] The Shengyang Explosion-proof Equipment Plant has declared bankruptcy. However, the Wuhan Radio Plant No 3 which received a "yellow-card" warning at almost the same time has "fought to survive, after confronting the danger of death," as the ancient Chinese military strategists said.

In early 1984, after reading a "tentative plan for enacting a law on enterprise bankruptcy" at a meeting celebrating the establishment of the Chinese Research Society of Urban Science, Wu Guan, mayor of Wuhan, immediately said that this was a good method of eliminating the less advanced through competition and promoting competition and that he would like to try this out in Wuhan.

In March 1985, the Bureau of Electronics and Industry in Wuhan submitted a report to the city economic commission, asking to merge the state-run Radio Plant No 3 which had been suffering heavy losses for many years with the Radio Antenna Factory which was yielding good economic results. The city Economic Commission maintained that the practice of "letting the poor eat the rich" should not be followed any more. With the approval of the leaders of the city CPC Committee and government, they decided to adopt the method of "giving Radio Plant No 3 eighteen months to save itself from bankruptcy." This decision was made on 21 June 1985 and published in CHANGJIANG RIBAO the next day.

Wuhan Radio Plant No 3 has nearly 1,000 workers and staff and its net value of fixed assets is 3.38 million yuan. From 1982 to 1984, due to market changes and an inability to meet emergencies, this plant made several wrong decisions, resulting in frequent operational losses and heavy debts of as much as 4.7 million yuan. In fact, it had come to the brink of bankruptcy.

Receiving a "yellow-card" warning from the city government, many comrades in Radio Plant No 3 found it hard to accept the fact. While a dozen middle-level cadres were sulkily drinking together, one of them said emotionally, "I have been working for the plant for over 20 years and I never expected it to go bankrupt." Affected by his sorrowful remarks, they could not help having a good cry.

As the long-term practice of the "iron rice-bowl" had made quite a few workers and staff feel that "the loss of the enterprise had nothing to do with them," no harsh criticism could break this mentality of "peace." Nevertheless, "a sudden wind makes ripples in a pool of spring water." No sooner had the yellow-card warning "against bankruptcy" been issued than the creditors came up to press for repayment, a number of enterprises which had long-standing relations of supply and demand for products with the Plant No 3 canceled their orders, and even hospitals refused to accept the "3-page medical treatment credit bill" for fear of accepting bad cheques. The workers and staff said emotionally, "We just cannot blame the snobbish attitude of others. It is we who should be blamed for being on the brink of bankruptcy and losing all our credibility!" Within only a few days, the workers and staff came to understand that their personal gains and honor are closely related to those of the enterprise. It was the leaders of the plant who first decided to make a radical change. [paragraph continues]

Through an extensive market investigation, they decisively readjusted the product structure, stopped the trial production of cassette recorders, vigorously developed electronic products used in construction and promoted those lateral combinations focusing on priority products.

Showing concern for the market is no longer the exclusive business of the plant director and the supply and demand section. The workers and party and administrative cadres also show concern for it now. This May, the staff working in the office of the party general branch of the plant also informed the plant director that the market needed radio toys for children. After conducting an in-depth investigation, the plant promptly arranged the production of a small quantity of these toys which sold very well around the "June 1" Children's Day.

Just like "deploying troops in such a way as to leave no room for maneuver or route for escape so that the soldiers will fight for dear life out of desperation and eventually win the battle," the desperate struggle of Radio Plant No 3 has rapidly changed the situation. As compared with the first half of 1985, in the second half of 1985 the sales volume increased by 100 percent and losses decreased by 61.6 percent. Beginning this March, they made up their deficits and increased surpluses at last.

The workers and staff now view things in a broader perspective. Since this plant owed a great many welfare debts and no bonus had been issued for years due to operational losses, the workers and staff naturally had living difficulties. Nevertheless, of the over 200 motions proposed in the representative congress by the staff and workers in the whole plant, most were related to production, technology, and quality. There were only 15 motions pressing for an improvement in welfare and remuneration.

Now, 1 year after the "yellow-card warning" was issued, the leaders of the Wuhan Radio Plant No 3 fully appreciate that "the decision of the city government to force us to consolidate our enterprise within a definite time to save it from bankruptcy was correct. Our plant would not have been invigorated without this pressure."

RENMIN RIBAO Commentary

HK200745 Beijing RENMIN RIBAO in Chinese 13 Aug 86 p 2

["New Talk" column by Gong Yunong: "Confronted With the Danger of Death, a Person Will Fight to Survive"]

[Text] Chinese military strategists often said that "Confronted with the danger of death, a person will fight to survive." Surprisingly, this can also apply to the socialist economic construction of today. A large enterprise which had suffered operational losses for years in spite of the efforts to make up its deficits was forced to fight to survive after receiving a "yellow-card warning." The changes in the Wuhan Radio Plant No 3 are both gratifying and thought-provoking.

After receiving the "yellow-card warning," a dozen of its cadres had a good cry. This is very gratifying indeed. Just think! How many cadres have you ever met in our decade-long socialist practice who would weep bitterly at the humiliations and crises of their enterprises? The enterprises, in particular the state-run enterprises, had become used to eating from "the same big pot" of the state. [paragraph continues]

As the state would make up their deficits and repay their debts, they did not care how many losses the state suffered, as long as the enterprises, cadres and workers and staff themselves did not incur losses. Precisely because of this unnecessary feeling of excessive security, people tended to become apathetic and enterprises made little progress. Now, faced with the pressure of the "yellow-card warning," the cadres of this enterprise rise with force and spirit after having a good cry. Is this not a new and gratifying phenomenon in Chinese economic circles?

In fact, those enterprises which having been suffering long-term losses and relying on "blood transfusions" to survive and whose debts exceed their assets, have already landed themselves in a "predicament." They are now doing a disservice to both the state and themselves. The application of the law on enterprise bankruptcy will structurally put those enterprises on the brink of bankruptcy "in danger of death" and make them aware of their "predicament," so that they will conduct a desperate struggle and "find rescue in desperate circumstances." Not withstanding that some enterprises really would go bankrupt as did the Shenyand Explosion-proof Equipment Plant, more enterprises would start a new life spurred on by the new system, just like the Wuhan Radio Plant No 3.

RENMIN RIBAO RESISTING FEUDAL INFLUENCE

HK190945 Beijing RENMIN RIBAO in Chinese 15 Aug 86 p 5

[Article by Su Shaozhi "Reform of the Political System and Opposition to the Influence of Feudalism"]

[Text] In 1980, Comrade Deng Xiaoping made a proposal on the reform of the political system. During a recent meeting with the Korean party and government delegation, he again pointed out the necessity of carrying out certain political reforms. The practice of China's reform over the years has proved that it is absolutely necessary and imperative to conduct a study of the current reform of the political system.

Since the reform of the economic structure started in 1978, we have made some breakthroughs and achieved remarkable successes. However, we have not yet carried out reforms in the corresponding political, social and cultural fields. The problems in the political system and ideological field have somewhat hindered the development of the reform of the economic structure. China's leaders and masses have realized that without the corresponding reforms of the political and other without the corresponding reforms of the political and other systems, it would be impossible to develop the reform of the economic structure in depth and to consolidate the successes achieved. it is far from enough to have modernization merely in industry, agriculture, science and technology, national defense, and other material fields. We must also have ideological modernization and modernization of the political system and social culture.

Social and political factors can produce a great impact on the economy. This is particularly true in a socialist society. When the economic factor that hinders social development is eliminated, the political factor may at a certain stage become an essential factor that hinders economic development. The outdated political and ideological conventions of bureaucratism are usually the main obstacles to reform. In the study of political economy, we should conduct comprehensive research and never neglect the social, political, and cultural factors. The problem enconuntered in the current reform is not due to the introduction of market mechanism.

The fundamental question is that we have not fully ensured the people's rights to take part in political affairs, to speak, and to make policy decisions. Although these democratic rights of the people are stipulated in explicit terms in the Constitution and have been reiterated by the leading comrades of the CPC Central Committee, there is still a lack of institutionalized provisions. The realization of democratic social life, which is the inevitable demand of the development of the socialist society, has been put forward on the basis of summing up historical experience. The establishment of a political system with a high degree of democracy is precisely the main target we must attain by means of the reform of the political system.

We should carry out the reform of the economic structure after 1978 because we had the decision of the 3d Plenary Session of the 11th CPC Central Committee which raised the call "emancipate the mind and seek truth from facts" and smashed the fetters of dogmatism. Would it have been possible to carry out the reform during the period of the "Cultural Revolution" or when the "Whatever" prevailed for a time? We summed up the experience and lessons of the past and carried out a series of reforms in the political system. For example, we opposed all forms of personality cult and overcentralization of power, particularly centralization of power by a single person, and abolished the system of lifelong tenture of office. We called for making the People's Congress a genuine organ of power. We proposed elections with candidates exceeding the number of seats and direct election of the People's Congress at and under the county level. Consequently, the reform of the economic structure came into being. Nevertheless, our failure to carry out the political, social, and cultural reforms in an all-round way hindered the further development of the reform of the economic structure.

Some comrades believe that the unhealthy trend is an essential factor that has adversely affected the economic reform and discredited our reform. This gives rise to the following controversy: How did the unhealthy trend come into being? Marxism holds the internal causes are the decisive factors, while external causes become operative through internal causes. Viewed from China's conditions, the intrusion of decadent capitalist ideas and style are the external causes, while the internal causes lie in the pernicious influence of feudalist ideas in the political, economic, cultural, social, and ideological fields.

China is a country with a feudal history of 2,000 years and the feudal autocratic empire dominated the country for a long time. Although monarchism was abolished long before liberation, the influence of feaudalism did not weaken. After liberation, the task of eliminating the remnants of feudalism in the ideological and political fields was not accomplished. In the course of the current reform, it is a pressing matter to eliminate the pernicious influence of feudalism in the political, ideological, and cultural fields. Moreover, it is the premise of the reform of the political system.

The influence of feudalism in the ideological and political fields is first expressed in privileges. The prevailing unhealthy trend, such as party and government cadres and their children engaging in commercial businesses and appointing people by favoritism, are without exception related to privileges. Moreover, such privileges are tinged with feudalism. Doing business and appointing people in such ways are by no means the enterprising spirit of capitalists or the relations of commodity of capitalism, but making use of feudal remnants to un-dermine the national economy and impair the prestige of our party.

Apart from hindering social construction and development, privileges are also expressed in cultural autocracy in the cultural field. Cultural autocracy existed prior to the "Cultural Revolution" and particularly during the "Cultural Revolution." [paragraph continues]

Following the 3d Plenary Session of the 11th CPC Central Committee and even today, we cannot say that the remnants of cultural autocracy are totally eliminated. With the efforts made by the leading comrades of the central authorities to create a democratic, equal, and consultative political environment, a fine situation has appeared for a hundred schools of thought to contend. We must continue to work hard and eliminate the remnants of cultural autocracy so as to further develop our science, academic research, literature and art.

The pernicious influence of feudalism in the ideological and political fields has "spoiled the form and appearance" of many good reform methods. Consequently, the methods create difficult problems rather than bring about good results. For example, the main characteristic of economic reform is to develop commodity economy. It is a fine thing that the commodity economy has impinged on the highly centralized, rigid system. When the pernicious influence of feudalism is not yet eliminated, however, the remanants of feudalism have taken advantage of the commodity economy; this is manifested in cadres and their children engaging in commercial businesses. In doing businesses in such a manner, the practices of abusing power to give the green light to one's subordinates, grant loans, illegally import and export goods, and resell foreign exchange and commodities in short supply have seriously hindered and undermined the socialist economic construction and reform of the economic structure.

In the following example, the reward system, though a good method for carrying out distribution according to work, has also been deformed under the remnant influence of feudalism. Bonuses are actually part of the surplus products. Only by creating more products and making more profits can we issue bonuses from extra profits. As a matter of fact, bonus had nothing to do with "reckless issuance." However, it has been "deformed" under the influence of small farmer mentality characterized by egalitarianism. Consequently, bonuses became an egalitarian distribution and a pay increase in disguise, which had led to loss of control of consumption funds and failed to stimulate production.

Another manifestation of the influence of feudal autocracy in the ideological and political fields is the attitude toward knowledge and intellectuals. Respect for official rank outstripping respect for knowledge has become the major obstacle to our modernization program. "Respect" here refers to satisfying the spiritual and material needs of intellectuals. As the intellectuals are treated with contempt both politically and economically, those with outstanding achievements intend to become officials, thus causing an outflow of talented people. Naturally, it is beyond reproach for those who want to become officers. We actually need some outstanding young people to engage in administration. Young people have new knowledge and the courage to fight against the force of habit. It is a good thing if they are truly willing to serve as the people's servants. Nevertheless, the situation indicates another social crisis, that is, disrespect for knowledge and intellectuals may lead to a retrogression of culture, education, academic research, art, and science and technology. Whether we judge from a long or short term point of view or from a macroscopic or microscopic viewpoint, it is extremely harmful to our modernization program. This matter, which is of strategic importance, merits great attention.

Another manifestation of feudalism is the so-called "network of relationships," namely, the relations between father and son, between relatives, and between the higher and lower levels outstripping the normal economic relations and relations of benefit, thus inevitably giving rise to subjectivism and sectarianism in making use of personnel and to appointing people by favoritism. Usually, when a leading cadre takes a fancy to a certain person, he may promote him. Even if the person promoted makes no contributions or neglects his duty, the recommender does not have to undertake any responsibility. [paragraph continues]

The focus of our recruitment system is usually on the likes and dislikes of leading cadres, and the people recruited or promoted are those considered "reliable" by the leading cadres. This system brings forth many mediocrities. The crux of the matter lies in a lack of democracy and a perfect electoral system. We must encourage competitiveness among the candidates and let the voters take their choice in election. The methods of candidates exceeding the number of seats and running for election are recommended because they are competitive and the voters may make their choice.

The influence of feudalism is also manifested in the information transmission setup. This is a serious problem, because there is only a vertical channel in information transmission runnnig from top to bottom. Thus, it is difficult to make the situation at the lower levels known to the higher levels. In addition, the policy decisions are usually the decisions of leading cadres. The policy decision setup is closely related to the information transmission setup. Instead of having several layers, our policy decision setup runs from the central authorities down to the grass-roots level, which is disadvantageous to giving full play to the initiative and creativity of the people and organizations at various levels. Owing to the influence of the small production economy and feudal society that lasted for several thousand years; to the backward science, culture, and education; and to a lack of perfect democracy and legal system, we have not yet established a set of policy decision systems and procedures and a supervisory and feedback system for making policy decisions. Leading cadres make policy decisions without impediment in light of their personal experience and such practices are still very common. This is also a prominent manifestation of the influence of feudalism. As this situation has lasted for many years, it is imperative to put an end to such a state of affairs. It is an important task of the reform of the political system to increase the democratic and scientific nature of the policy decisions.

The failure to define the main force of the socialist society is another manifestation of the influence of feudal autocracy. Are the people or leaders the main force of the socialist society? In our speeches and concepts, the leaders rather than the people are regarded as the main force. For example, when the people's delegates are interviewed, instead of making comments or suggestions on behalf of the people, some delegates may first say: I am deeply grateful to the party for placing trust in me. I will seriously study the report of so-and-so leading cadre. Thus, the relationship between master and servant is reversed. Here is another example: During the feudal period, it was the utmost expectation of the populace to become "sages, men of virtue, and upright magistrates." This idea, which negates people as the main force, is still deep-rooted among the masses. The terms we often use also indicate the problem. Take the term "listen attentively to the opinions of the masses," for example. It seems that certain persons should stand high above the masses and it would be pretty good for them to listen to the people's opinions. All this shows that the idea "the people are the main force of the socialist society" has not yet taken root in the hearts of the masses.

Since the influence of feudal remnants has affected our country in many ways, we must teach everyone to distinguish, sort out, and wipe away such influence. This is an obligatory course in the reform of the political system. Political and cultural conditions are extremely important in socialist countries. Without fine political and cultural traditions, particularly without democratic political and cultural traditions, it will be impossible to implement the system and laws, no matter how perfect they are. This is quite obvious in China. For example, the Constitution was solemnly drafted long ago and later revised on several occasions. The Constitution clearly stipulates the fundamental rights and duties of citizens; the freedom of speech, of the press, of assembly, of association, of procession, of demonstration, and of religious belief; and that the personal dignity of citizens is inviolable. [paragraph continues]

From the very beginning, the Constitution also stipulated that all power belongs to the people. Nevertheless, the practices of defying and violating laws are quite common. If you criticize a person for violating the Constitution, many people may treat you as a pedant. All this is due to a lack of democratic political and cultural traditions. Therefore, without a fundamental ideological transformation, it would be impossible to carry out the reform as a whole, including the reform of the political system.

We should encourage deliberations and discussions on the reform of the political system and should not be afraid of dissident views. Dissident views are an objective fact. Usually, these views are not made public. We are used to the practice of seeking unity of thinking on all affairs. In my opiinion, this is not objective. In light of their own interests, different strata, groups, and individuals may hold different views on a certain matter. How can we insist on seeking unity of thinking? As we are Marxists, we should not be afraid of criticisms. We will be able to achieve better results in our work so long as we encourage free airing of views, carry out discussions calmly, make a careful analysis and study of the dissident views, take the interests of various parties into account, and seek the best solution.

Reform is a revolution. We are confronted with a series of historical tasks. We must do things never undertaken by our forefathers. For this reason, we should encourage bold explorations. Who dares say that his views will be absolutely correct? Therefore, we should conduct investigations and studies, broaden our field of vision, courageously make proposals, and carry out discussions democratically and equally. On this basis, we should democratically and scientifically make the best policy decisions so as to push reform forward. The crux of the matter lies in fully carrying out inner-party democracy. Without inner-party democracy, there would be no people's democracy and it would be impossible to make the best democratic and scientific policy decisions for reform. It is the inevitable historical trend of the reform of China's political system to resist the influence of feudalism in the political and ideological fields and to gradually realize a high degree of democracy.

JINGJI RIBAO URGES ATTENTION TO QUALITY CONTROL

HK201415 Beijing JINGJI RIBAO in Chinese 15 Aug 86 p 1

[Editorial: "The Most Important Thing Is the Question of Quality")

[Text] The drop in the quality of industrial products has aroused the wide-eyed attention of all society. Today this paper published a news report disclosing that the "Snowflake" brand refrigerator, a once much sought-after commodity, had become a drag on the market. What is worse, the fame of not a few brand name commodities is now withering. For example, products of China's first well-known Elevator Company Limited have repeatedly caused heavy casualties because of their inferior quality. We must on no account regard these problems as unimportant.

Quality is life of an enterprise. Does this basic concept of quality develop well in the minds of cadres working at economic departments and of workers engaged in production? As the situation in the Elevator Company Limited and in the Beijing Refrigerator Plant shows, this concept has not been built up yet. Considering the country as a whole, we also think the concept is far from being built up. [paragraph continues]

The quality of our industrial products has been declining for 3 years running; the situation has not fundamentally improved so far. In the first half of this year, one-third of the quality index set by the state for major industrial products went down, while one-third of the quality of industrial products spot-checked by the state was not up to standard. The two "one-thirds", once again, remind us that we should not stress the quantity of products alone and neglect their quality. What is most important at present is the question of quality. We should not disregard the decline of industrial product quality.

If we say that the drop in the quality of industrial products in the 4th quarter of 1984 was mainly due to the overly large scale of investment in fixed assets, the sharp increase in consumption funds, and the blind pursuit of output value and high growth rate in some areas and departments, then the emergence of the two "one-thirds" in the first half of this year was, aside from some objective factors, mainly because leaders of some areas, departments, and enterprises failed to seriously treat the quality of products, a question which has a bearing on the existence and reputation of an enterprise.

The question of quality is of vital importance to the success or failure of the four modernizations and of the economic structural reform. It is an important criterion for examining whether an enterprise adheres to the socialist orientation in management and assessing the correctness of our guiding ideology for economic work. Production of shoddy goods results in enormous waste of social labor and walth, cheats domestic consumers right and let, adversely affects our exports, and impairs the prestige of our country. In short, it diverts from the primary purpose of socialist production. All our economic work must be held responsible to the state and people. The question of quality is not only an economic but also a political one. We should approach this question from such a high plane and should not regard it as a trifling matter.

While making efforts to wrestle with the question of quality, why cannot we shy away from it? The tendency of blindly pursuing output value and growth rate and reglecting economic results by some comrades has not been smothered but has gained ground again; they set the quality of products against output value and growth rate. We must raise a cry of warning to these comrades: In saying economic results, we refer to the economic results of the whole society in the main and do not mean the immediate and partial interests of a certain area or enterprise, still less we fairly equate economic results with ouput value or profits. We must achieve better economic results on the condition that quality must be guaranteed. The most important thing for an enterprise is quality. If an enterprise cannot guarantee the quality of its products, its economic and technological targets have no foundation to rest upon and it is absolutely impossible to achieve better economic results.

To augment the quality of industrial products, we must make tremendous efforts. A pressing matter is, by administrative means, to examine and consolidate the enterprises producing products of inferior quality. Those involved in cases of a grave nature should be ordered to stop production within a certain time and be allowed to resume production when their products are up to standard. From a long-term point of view, we must create a certain economic environment, perfect market mechanism, and gradually build up a "buyers' market" where consumers can make a good choice of commodities so that enterprises will come under pressure to compete with each other and give an impetus to the quality of their products.

The socialist economy is a planned commodity economy based on public ownership. While strengthening political and ideological work, we have every possibility of applying administrative, economic, technological, and legal means to encourage enterprises to augment the quality of their products. Leaders at various levels who have, all along, paid no attention to the quality of products and do not carry out reforms in earnest should be seriously dealt with. Cadres who attach great importance to quality should be promoted to leading posts. Only by so doing will we be able to put an end to the backward features of our product quality and make big progress in improving it.

EXCESSIVE CAPITAL INVESTMENT PUZZLES PLANNERS

HK210041 Beijing CHINA DAILY in English 21 Aug 86 p 2

[By staff reporter]

[Text] Excessive capital investment will remain a hard nut for China's economic planners to crack for years to come.

And although they realize the heat must be cooled in favour of steady, balanced economic development, they seem unsure where to pour the water.

During the first half of this year, the country's capital investment totalled 48.9 billion yuan, an increase of more than 17 percent over the same period last year. The growth of industrial production and national income, on the other hand, is only 4.9 and 1.5 percent respectively.

The situation is expected to further deteriorate in the second half of this year, when the country strives to achieve the targeted 7 or 8 percent increase in industrial production. For most companies, production growth can be achieved only through bigger investment.

If the situation continues, it will be very difficult to fulfil the 165 billion yuan capital investment target set for the first two years of the Seventh Five-Year Plan (1986-90), an official of the State Statistics Bureau warned yesterday.

The official said continuing 'overheated' capital investment was partly due to a one-sided way of exercising control.

While trying hard to control investment in setting up new businesses, the official said, most planners tend to take a laissez-faire attitude toward investment in existing ones.

As a result, investment in new industrial projects grew by less than 8 percent during the first half of this year, and investment in existing factories increased by 45 percent. But 46 percent of the investment in existing factories went toward expanding production scale instead of upgrading technology.

Lack of a unified investment supervision system is also to blame, the official said. The State Planning commission directs investment in new State projects, and the State Economic Commission supervises investment in technological upgrading in State-owned industries.

'HEALTHY BALANCE' REPORTED IN INDUSTRIAL OUTPUT

OW201150 Beijing XINHUA in English 1014 GMT 20 Aug 86

[Text] Beijing, August 20 (XINHUA) — Fine tuning of China's industrial structure has continued the healthy balance between heavy and light industry, the State Statistics Bureau said today.

Light industry produced 49.7 percent of output value during the first half of the year, it said, with heavy industry accounting for the remaining 50.3 percent.

In light industry the output value of non-agricultural products increased by 10.1 percent, with that of agricultural products only increasing by 4.5 percent.

"This is good because agriculture is dependent on unpredictable weather conditions," it said.

Heavy industry is much the same, with output values from mining and raw materials increasing 4.8 percent and 9.8 percent respectively, surpassing the 2.2 percent rate for the processing sector.

"This can help invigorate China's relatively weak natural resources industry," it said.

ZHENG TUOBIN FORWARDS 'NEW DEMANDS' FOR XIZANG

HK200913 Lhasa Xizang Regional Service in Mandarin 1130 GMT 20 Aug 86

[Text] On the afternoon of 18 August, accompanied by regional people's government Vice Chairman Mao Rubai and regional people's government Secretary General Wang Guanxi, all members of the Xizang Investigation Work Group of the Ministry of Foreign Economic Relations and Trade, who have come to our region to inspect and guide work, went to the Lhasa Theater to visit responsible comrades and representatives of workers of the economic and Trade System and Commodity Inspection Department of our region.

Responsible comrades of the regional foreign trade company, regional industrial products wholesale company, and Lhasa City Foreign Trade Company reported to Zheng Tuobin, minister of Foreign economic relations and trade, the situation in procuring livestock products, in border trade, and in trade with neighboring countries.

After listening to the reports, Minister Zheng Tuobin put forward new demands on the future foreign economic relations and trade of our region. He said: In Xizang's foreign trade, 1) it is necessary to raise the economic results; 2) it is essential to increase the rate of export of commodities. It is imperative to speed up the development of agricultural and sideline products, to develop lateral economic ties, and to strengthen joint capital and joint operation projects with fraternal provinces and regions. He hoped that the comrades of our region who engage in foreign economic relations and trade would work hard, earn more foreign exchange, and make more contributions toward national construction.

Lastly, on behalf of the party group and leaders of the Ministry of Foreign Economic Relations and Trade, Minister Zheng Tuobin extended his regards to the cadres and workers of our region who engage in economic and trade work.

RENMIN RIBAO ON TACKLING UNHEALTHY TRADE

HK150837 Beijing RENMIN RIBAO in Chinese 11 Aug 86 p 1

[Commentator's article: "Tackle Problems in a Comprehensive Way -- Fourth Commentary on Rectifying the Unhealthy Trend of a Trade"]

[Text] In order to eliminate environmental pollution, it is necessary to tackle the long-standing problems in a comprehensive way. This experience is also applicable to the checking of unhealthy trends. The unhealthy trends in a trade that degrade people's souls, poison public relations, and corrupt social values are the pernicious social effects of pollution. The experiences of many localities and departments show that it is imperative to tackle unhealthy trends in a comprehensive way.

As the Chinese saying goes, "one cold day does not make the river freeze three feet deep." The unhealthy trends in trades are a long-standing problem. The so-called criticism of "revisionist controls, checks, and suppression" launched during the "Cultural Revolution" undermined many of our good systems and work styles. Consequently, the unhealthy trend of "taking advantage of a trade to seek personal gain" spread unchecked. As the broad masses have earnestly called for curbing of unhealthy trends in recent years, the leading organs at various levels have made great efforts and have obtained some positive results. However, the palliative measures taken cannot effect a permanent cure.

True, the unhealthy trends in a trade are related to the thinking and work style of the employees. However, it has become a "trend" not because of the dishonest practices of certain individuals, but because of various complicated social reasons. It will be ineffective to rely merely on the righteous, open condemnation of such social practices that exist universally. The problem can be solved only by adopting scientific and effective measures. Therefore, we should seriously conduct overall investigation and study, examine the manifestations, causes, impact, and harm of the unhealthy trends in each trade, and seek effective ways to tackle the problem in a comprehensive manner.

While tackling the problem, we should alleviate the symptoms as well as effect a permanent cure. It is necessary to duly punish the people indulging in unhealthy trends. Nevertheless, we cannot put an end to unhealthy trends by merely punishing a few people. The crux of the matter lies in improving the ideological and professional quality of the vast numbers of employees. While recruiting staff members and cadres over the years, many trades failed to offer strict, special training, and to conduct examinations. As a result, many staff members did not have a rudimentary knowledge or understand the rules and ethics of the trade and they lacked the spirit of serving the people, though they had worked for several years. "Taking advantage of a trade to seek personal gain" was regarded as a matter of course, while those who refused to abuse power to seek personal gain were looked upon as "fools." Aiming at such circumstances, besides training and assessing the proficiency of new employees, we should also strengthen education in ideals, discipline, policies, the legal system, and professional ethics among those already employed so as to gradually foster new socialist customs for each trade.

Another reason for the existence of unhealthy trends in trades is that some trades do not have strict rules and regulations. Other trades have rules and regulations, but they lack strict supervision and inspection, so the rules and regulations are mere scraps of paper. In view of this situation, on the one hand, we should lay down rules and regulations according to the characteristics of each trade and in light of links where unhealthy tendencies may easily arise; and on the other hand, we should exercise strict supervision and examination. [paragraph continues]

Those who violate the rules and regulations should be punished according to discipline. Apart from exercising supervision from top to bottom, it is even more important to exercise extensive internal and external social supervision. "When there is a leak in the roof, those beneath can feel it." The customers can clearly see and recognize the unhealthy trends in a trade which they are utterly disgusted with. They are the powerful force for checking unhealthy trends. In recent years, measures have been taken to examine and check the unhealthy tendencies in many trades precisely because they have been exposed and opposed by the customers. Facts have proved that relying fully on the masses and society is the guarantee for checking the unhealthy trends in a trade.

As each trade in society is tied to the others in a hundred and one ways, the unhealthy trends in a trade may infect others. Some time ago, when certain localities were taking measures to check the unhealthy trend of commercial departments trying to sell famous-brand, quality commodities in combination with inferior ones, they found that the trend came from some factories and enterprises. This typical example shows that it will be impossible to check the unhealthy trends if we take action merely in a small number of trade rather than in the majority, and if we sharply criticize the unhealthy trends in other trades but shield those of our own. The checking of unhealthy trends can also be regarded as social system engineering which requires all trades to take action, to exercise supervision over each other, and to coordinate and help each other forward.

Unswervingly carrying out reform is the fundamental way to tackle the problem in a comprehensive manner. After summing up their recent experiences, Beijing and other localities dicovered that the attitude of the service trades changed from time to time, which was related to reform (particularly the reform of the distribution system): The services were fine when reform developed smoothly, but became bad when reform encountered obstacles. This experience is characteristic. The reform of some trades has just started, which has played a positive role in checking the unhealthy trends. On the whole, however, reform is not yet perfect. Only by vigorously developing the reform of various trades and professions and gradually carrying out the corresponding reforms can we arouse the initiative of the broad ranks of cadres and masses and eliminate the conditions on which the unhealthy trends depend for survival.

Naturally, we should also admit that the emergence of unhealthy tendencies is related to the low development level of our service trades, which is far from satisfying the people's needs. It is obvious to all that the shops selling sought-after goods and the trades offering services which the masses badly need are actually hiding places for the unhealthy trend of abusing power to seek personal gain. For this reason, the fundamental way to thoroughly check unhealthy trends is to pay close attention to reform and accelerate the development of the productive forces and the service trades.

23 ECONOMIC COORDINATION NETWORKS SET UP

OW190744 Beijing XINHUA in English 0727 GMT 19 Aug 86

[Text] Beijing, August 19 (XINHUA) -- China has set up 23 interprovincial economic coordination networks to exchange vital information on development. An official of the State Economic Commission told XINHUA today the networks, organized on a voluntary basis, "have contributed to economic prosperity in many areas." Originating in the country's major cities, the networks connect committees of provincial leaders who share information involving the economy, finance, culture and science.

HU URGES YOUNG INTELLECTUALS TO TEACH SOCIALISM

OW151106 Beijing XINHUA in English 1049 GMT 15 Aug 86

[Text] Beijing, August 15 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang today called on China's young intellectuals to devote themselves to the cause of the country and the people in disregard of their own interests.

Hu made this remark at a meeting in the Great Hall of the People to welcome the first batch of young party and government cadres who have been sent to 22 provinces to help train primary and middle school teachers and to honor the second batch who will soon leave the Chinese capital.

The general secretary addressed a similar rally a year ago in honor of the first batch of cadres going to other provinces. In his speech, he expressed his hope that the young intellectuals of the country should be good at integrating their lofty communist ideals with the practical goals, their personal interests with the interests of the people and combining book knowledge with the practical knowledge.

In today's speech, he praised the 3,250 members of the first batch, saying that they have fulfilled their task of helping train local primary and middle school teachers and have done a lot of other good things for the local people.

"You have set a good example for the whole society to respect teachers and the teaching profession," he said.

He went on to note that the building of a powerful socialist China in the next several decades calls for the arduous efforts of several generations. In the process, there are bound to be difficulties and it is hard to avoid mistakes.

Without this mental preparation, he said, people may become disappointed with difficulties that might occur and begin to lose heart.

He asked the young intellectuals to be confident of the great cause they are working for and keep on fighting in spite of all setbacks.

The general secretary urged all cadres of the party and the government to serve the people whole-heartedly, correctly handle their personal interests and the interests of the people and be willing to sacrifice their own interests for the sake of the people's interests.

He also urged them to broaden their views, go to the grass roots and work creatively at their ordinary posts.

He called on the young people to learn to understand the masses of the people through the prolonged, repeated personal practices and to use their knowledge of the basic Marxist theories and modern science to solve actual problems in the socialist modernization and the on-going economic reform.

MONUMENT WITH HU YAOBANG'S INSCRIPTION ERECTED

SK160141 Harbin Heilongjiang Provincial Service in Mandarin 0900 GMT 15 Aug 86

[Text] A monument with the inscription by Comrade Hu Yaobang, reading "the Heroic First-Line Sentry Post in the East," was erected in (Wusu) Town in Fuyuan County on 14 August, Sun Weiben, secretary of the provincial CPC Committee; Liu Jingsong, commander of the Shenyang Military Region; and Liu Zhenhua, political commissar of the Shenyang Military Region, made a special trip to (Wusu) Town to participate in the inauguration ceremony.

This monument is 215 meters high, and is made of blackish green marble. Stationed here are the troops of the first-line sentry post in the eastern part of our country. In 1984, when Comrade Hu Yaobang inspected the Sanjiang Plain, he wrote the inscription, which reads "the Heroic First-Line Sent Post in the East."

WUHAN, OTHER CITIES TO MARK SUN YAT-SEN BIRTHDAY

OW181555 Beijing XINHUA in English 1443 GMT 18 Aug 86

[Text] Wuhan, August 18 (XINHUA) -- Two bronze statues of Dr. Sun Yat-Sen in this capital city of Hubei Province are being spruced up for the coming 120th anniversary of his birth.

This is part of the nationwide celebrations planned round the anniversary on November 12th, according to officials of the provincial committee of the Chinese People's Political Consultative Conference.

In Wuhan, they said, this year's celebration will be "unprecedented", adding that the 100th and 110th anniversaries could not be celebrated because of the "Cultural Revolution", but political unity and stability in recent years have made the celebrations a common wish of all Chinese people.

Celebration gatherings, symposia and film receptions will be held, and historical materials dealing with the revolution will be collected and published, they said.

Dr. Sun led the 1911 Wuchang Uprising, which overthrew China's last feudal dynasty. Wuchang is part of the Wuhan City.

One statue in Wuhan stands at the junction of a road named after Dr. Sun's doctrine known as the "three people's principles" -- nationalism, democracy and people's livelihood.

The other one stands in front of the Memorial Hall of the 1911 Revolution. Formerly headquarters of the uprising troops, the hall now displays historical materials relating to the revolution.

The anniversary will also be marked in Beijing, Nanjing, Shanghai and Guangzhou, where the forerunner of the Chinese democratic revolution lived or worked.

WAN LI INSPECTS XINJIANG REGION 12-18 AUGUST

OW191613 Beijing XINHUA in English 1514 GMT 19 Aug 86

[Text] Urumqi, August 19 (XINHUA) — Vice-premier Wan Li has urged northwest China's Xinjiang Uygur Autonomous Region to step up its economic development by making fuller use of its advantages.

While on an inspection tour of the region from August 12 to 18, Wan Li, also a member of the Political Bureau of the Chinese Communist Party Central Committee, said Xinjiang should further develop production of cotton, sugar beet, silk, licorice root, fruits and melons, as well as communications and transport.

He came for the third national games of traditional sports for minority nationalities August 10 to 17, and inspected five prefectures across the length and breadth of the region.

Wan Li said the people of all the nationalities living in the region enjoyed unity. Showing his concern for the life of the people, he called on herdsmen's families during the tour.

Wan Li urged party members to do their best to become well-off through hard work and help those people who are comparatively poor.

The minority nationalities in the region should do more to develop education. That is because economic and cultural development depends on it, Wan Li said.

Xinjiang should give preferential measures to attract skilled and educated people from other parts of the country, and other provinces should be encouraged to support the economic construction in the region, Wan Li said.

OFFICIALS AT HEBEI TOURIST WORK CONFERENCE

SK190734 Shijiazhuang HEBEI RIBAO in Chinese 8 Aug 86 p 1

[Excerpts] The provincial tourist work conference held by the provincial government ended on 4 August in Qinhuangdao. Han Kehua, director of the China Travel and Tourism Bureau, spoke at the conference. Xie Feng, provincial governor, delivered a summing-up report. Vice Governor Ye Liansong presided over the conference.

During the conference Wang Shuming, deputy secretary-general of the State Council, and other responsible comrades were invited to tour several scenic spots in Qinhuangdao City.

More than 70 people, including professional commissioners and city mayors in charge of foreign affairs and tourism work, attended the conference. Responsible comrades of the Tourism Coordination Group under the State Council also attended the conference.

The conference emphatically pointed out: The CPC Central Committee and the State Council have paid great attention to developing tourism, and some central leading comrades on many occasions have indicated the necessity of regarding tourism as an important part of economic construction from the high plane of strategy. [passage omitted]

Premier Zhao has pointed out: "We must again understand the importance of the development of the tourist trade in the political and economic fields." We should break with outdated and traditional concepts, effect a leap in our ideology and understanding, and regard the rapid development of tourism as an important principle for accelerating the building of socialist modernization and socialist spiritual civilization. We should foster the viewpoint that developing the tourist trade means developing the economy, and giving support to the tourist trade means supporting the four modernizations, so that we can achieve unity of thinking among the people and can encourage the people to vigorously develop the province's tourist trade with one heart and one mind. [passage omitted]

The conference discussed and revised the "Essentials of Hebei Province's Seventh 5-Year Plan on Tourism." In line with the plan, by 1990 the province will receive 80,000 to 100,000 international tourists, which will earn $30 million to $40 million in foreign exchange for the province. Meanwhile, it is estimated that the province will receive 15 to 20 million domestic travellers and will earn some 500 million yuan from this field. To attain this goal, Governor Xie Feng demanded in his summing-up report at the conclusion of the conference: Tourism is a comprehensive economic undertaking. We should closely combine tourism with economic development, and should incorporate tourism in the provincial plan for economic development. All relevant prefectures and cities should incorporate tourism in their economic development plans. In developing the tourist trade, we must undertake overall planning, suit measures to local conditions, give prominence to major points, and proceed from reality. In arranging for the construction of the subsidiary infrastructure directly related to the tourist trade, special attention must be paid to economic efficiency. In arranging for the building of scenic spots, we should give consideration to demands for developing the domestic tourist trade. On the premise of following unified planning, we should adhere to the principle of pulling together the efforts of the state, localities, departments, collectives, and individuals, and should work out rational plans and establish better systems to ensure the development of various tourist items and sources of funds. We should make further efforts to promote the reform of tourist systems, pay attention to building the tourist workers' ranks, accelerate the training of competent persons, correct unhealthy trends, and improve service quality and management expertise.

YANG DEZHI CUTS RIBBON FOR EXPORTS EXHIBITION

OW150516 Beijing XINHUA Domestic Service in Chinese 1506 GMT 14 Aug 86

[Excerpt] Beijing, 14 Aug (XINHUA) -- More than 5,000 varieties of products produced by military industrial enterprises were displayed for the first time today for traders from home and abroad.

Yang Dezhi and Hong Xuezhi cut the ribbon at a ceremony for the exports sales exhibition. Li Desheng, Qian Xuesen, and more than 1,000 guests from business circles at home and abroad attended the ceremony. [passage omitted]

YANG SHANGKUN, YU QIULI VISIT EXHIBITION

OW200211 Beijing Domestic Service in Mandarin 2130 GMT 19 Aug 86

[Text] Quality products turned out by PLA-run enterprises, factories, and mines have received favorable comments from foreign businessmen attending a joint exports exhibition in Beijing. As of yesterday, foreign trade contracts worth more than U.S. $23 million had been signed.

Yang Shangkun, Yu Qiuli, Hong Xuezhi, and other leading comrades visited the exhibition on the evening of 19 August. They expressed satisfaction with the quality of products turned out by PLA-run enterprises, factories, and mines and with their work in foreign trade.

ZHANG JINGFU MEETS TAIWAN SCHOLARS IN BEIJING

OW151410 Beijing XINHUA in English 1359 GMT 15 Aug 86

[Text] Beijing, August 15 (XINHUA) -- Chinese State Councillor Zhang Jingfu met here this afternoon with more than 20 Taiwan scholars residing abroad and listened to their opinions and suggestions on the reunification and modernization of the country.

These scholars are here from the United States, Japan, the Federal Republic of Germany, Switzerland and Austria to attend a symposium sponsored by the Taiwan Fellow-Students Association from August 9 to 13.

Speaking at the meeting on behalf of the Taiwanese present, Dr. S. Chang from the U.S.A., Dr. Ou Taisheng from Europe and Dr. Ming Chang from New York, U.S.A., expressed support for the policy of reunifying the country under the concept of "one country, two systems". They also suggested that opinions on this issue should be solicited from people of various circles in Taiwan through different channels.

Zhang Jingfu said: "We place great hopes on the Taiwan people in reunifying the country. We hope they will air their views and make more suggestions to the mainland." Later, Zhang entertained the scholars at a dinner.

OFFICIAL ADDRESSES NATIONAL CHRISTIAN CONFERENCE

OW191244 Beijing XINHUA in English 1216 GMT 19 Aug 86

[Text] Beijing, August 19 (XINHUA) -- The training of more clergy is an urgent task facing the Chinese Protestant church, Ren Wuzhi, director of the State Council's Religious Affairs Bureau, said here today. Speaking at the Fourth National Christian Conference, which opened here last Saturday, Ren said the lack of young clergy is a major problem for Chinese religious circles.

Because many of the clergy are very old and no clergy were recruited during the "Cultural Revolution" (1966-1976), there is a serious shortage.

Ren called on the three-self (self-administering, self-supporting and self-propagating) patriotic committee of the Protestant churches in China and the Chinese Christian Council to continue their good efforts in running the theological seminaries which train more clergy who both love their country and have profound religious knowledge.

Churches should, however, set up more short training classes so that religious believers throughout the country can lead a normal religious life, Ren said.

To solve the shortage of clergy, especially in rural churches, a variety of solutions should be tried, Ren said, including the establishment of short training classes not just by provinces, municipalities and counties, but by theological seminaries.

While training more young clergy, care should also be taken to include the older clergy's initiative, Ren added.

YOUTH PAPER REVIEWS RED GUARD MOVEMENT

HK200117 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1219 GMT 19 Aug 86

[Text] Beijing, 19 Aug (ZHONGGUO XINWEN SHE) -- Today's "ZHONGGUO QINGNIAN BAO" frontpages a signed article that reflects deeply on the "Red Guard Movement" which was born on 18 August 20 years ago. The article points out that the main factor in creating this historic tragedy was that the younger generation, limited by their sociohistorical environment, lacked democratic ideology and could not break free from the feudalist mentality.

The article says that the slogans of "three loyals" and "four limitless things" shouted most resoundingly in those years by the "Red Guards," and the songs they sang most frequently, "Sailing the Seas We Rely on the Helmsman" and "He Is the People's Great Savior" precisely reflected feudal "foolish loyalty" and the concept of pinning all hopes on a "supreme authority."

The article points out that the actions of the "Red Guards" in those years in ransacking homes, putting people to the struggle, torturing people to force confessions from them, and so on precisely reflected the "mentality of regarding the people as grass" whereby the people's most basic democratic rights were trampled under foot.

The article points out that the "Red Guards'" sayings at that time of coming from a "five Red categories" background and "if the father is a hero, the son is a fine fellow, if the father is a reactionary, the son is a scoundrel" precisely reflected feudal patriarchal mentality and the concept of blood ties.

The article says that to view the "Red Guard Movement" in this way certainly does not mean pinning all its crimes onto that generation, because the sociohistorical environment they faced nurtured the traditional national culture that caused their ways of thought and their habits of behavior; it was impossible for them to abandon them or to make a choice.

The article says that 20 years after the "18 August," the new younger generation is facing a completely different sociohistorical environment. Beginning with the 3d Plenary Session of the 11th CPC Central Committee, an unprecedently great tide of reform has been whipped up throughout the vast land of China.

The tremendous changes that have taken place in the economic field are bound to demand corresponding changes in the superstructure and in the field of ideology. Thus, carrying out political structural reforms, strengthening the building of socialist democracy and legal system, spurring the process of the democratizing politics, making a clean break from traditional national culture, absorbing all the outstanding fruits of world cultural centers, and building up a new socialist culture, have become the focal points of concern to the people and their goals of endeavor. What is gratifying is that the younger generation have not disappointed the hope of history, and more and more outstanding young people are marching in the forefront of reform.

The article says with pride that while making a historical retrospection of "18 August" which caused a tragedy for a generation of young people, the songs being sung by the new generation of China's youth are high-spirited and stimulating songs of forging ahead instead of low-spirited, plaintive dirges.

MEETINGS REPORTED AS 'TOO MANY, TOO MONOTONOUS'

OW150640 Beijing XINHUA in English 0622 GMT 15 Aug 86

["Meeting Reports Too Many, Monotonous -- Chinese Readers" -- XINHUA headline]

[Text] Harbin, August 15 (XINHUA) -- Newspaper reports about meetings are "too many" and "too monotonous", hardly meaning anything to the general readership.

This is the opinion of readers reflected at a forum on newspaper work now in session in this capital city of Heilongjiang Province.

Teng Teng, deputy head of the Propaganda Department of the Chinese Communist Party Central Committee, also attending the forum, has expressed support for the view. "Newspaper offices should not carry stories without news value," he said.

"As regards important meetings, these should be reported and the news reports about them should be well written," he said.

Between January and June, the meeting was told, the "GUIZHOU DAILY" carried a monthly average of 79 pieces of meeting news on its frontpage. The figure was 63 for "LIAONING DAILY", 54 for "ZHEJIANG DAILY" and 53 for "SICHUAN DAILY".

All these are four-page folios, operating under the authorities of their provinces.

"Meeting important to practical work and with general appeal should be reported," one editor told XINHUA. "But quite a lot of other meetings are too technical and do not concern the general readership."

Readers are not satisfied because they want to get useful information from newspapers, adding that when covering meetings, some reporters don't know how to dig out information which interest the public.

Participants also attribute the monotonous meeting reports to government offices insisting on having their meetings publicized, although they know that the public wouldn't care about them.

For these leaders, their concern is to let people know that by holding these meetings, they are doing some useful work, participants said.

SOCIOLOGISTS CAMPAIGN AGAINST ANTIQUATED IDEAS

OW040730 Beijing XINHUA in English 0712 GMT 4 Aug 86

[Text] Beijing, August 4 (XINHUA) -- Sociologists in largely rural Gansu Province in northwest China say a major educational campaign is needed to change the "old-fashioned, small-time mentality of cadres and peasants." The "GUANGMING DAILY" reported today.

The local sociologists called this mentality "an obstacle to the growth of the rural economy and the progress of the current reform."

To change the thinking of people in rural areas, they asked provincial officials to spread information about the reform and to develop a commodity economy as rapidly as possible where there are resources to do so.

"In surveying the countryside, we found cadres who still think in terms of a small-scale peasant economy," one of the sociologists told the paper. "They are not eager to learn about culture or science and technology."

As a result, said the sociologist, "they often are sluggish in their work and treat serious matters as if they were trivialities."

According to the paper, the sociologists concluded that old-fashioned thinking can lead people to be "content with the existing state of affairs and be oblivious to long-term production targets."

Lacking a vision of the future, the paper quoted the sociologists as saying, "they don't want to cooperate with those trying to bring about change for fear of the consequences and lack of knowledge of the possibilities."

The paper today also reprinted a July 19 commentary from the "GANSU DAILY" which argued that "getting rid of the old mentality ought to be one of the important elements of long-range ideological and political work."

Such change will have to come, said the commentary, "if we want to develop social productivity by boosting the commodity economy."

THINK TANKS PLAY INCREASING ROLE IN POLICY

HK191529 Hong Kong HSIN WAN PAO in Chinese 18 Aug 86 p 4

["Special feature" by contributing correspondent Wen Po: "China's New 'Think Tanks']

[Text] Most of the public in China is not familiar with the concept "think tanks." However, it has already begun to play its role in making the decision concerning China's current political, economic, scientific and technological, and educational structural reforms and China's economic development.

In order to improve their decision-making, Chinese leaders attach increasingly great importance to the information, data, schemes, and proposals provided to them by various research institutes.

Four Hundred Institutes and Fifteen Thousand Specialists

At present, there are over 400 scientific research institutes and 15,000 specialists in China who are engaged in soft scientific research, sources said. The "National Research Center for Science and Technology - Development," which is regarded as China's "Rand Corporation," is one of these institutes.

This research center is situated in an area in the eastern part of Beijing City that attracts few people's attention. Expert for a board with its name in Deng Xiaoping's handwritting at the center's gate, the center has nothing different from other offices. However, many proposals, policies, and forecasts that affect the progress of China's development have come from this center.

Compared with the "Rand Corporation" -- a well-known U.S. think tank with 45 years of standing -- this center has not been set up for a full 4 years and the number of specialists in its less than 100, only one-fifth of those in the "Rand Corporation." However, concerning the depth, width, and importance influence on government decisions of the research projects in which it is engaged, it can be compared with the "Rand Corporation."

Take Part in the Research for the Formulation of New Policies

The research of the "Rand Corporation" covers spheres such as administration and management, urban administration, environmental protection, energy, public health, and education. China's "National Research Center for Science and Technology for Development" also carries out research in these spheres. In addition, it also focuses on research into the projects related to the state's scientific and technological development strategy; principles, policies, and administration; and the evaluation of technology.

Assigned by the State Scientific and Technological Commission, the research center has edited, through theoretical proof, the "Blue Paper on China's Technological Policies" and taken part in formulating China's policies toward the new world technological revolution. [paragrah continues]

Other research topics it has been carrying out are "Comprehensive Evaluation of the Economic Results of the Three Gorges Project, the strategy and policies for the development of China's data processing technology; the research into and theoretical proof for the technological policies in 13 fields including communications and transportation, energy, telecommunications, agriculture, integrated circuits, and computer technology; the proposal on the establishment in China of a scientific and technological risk investment company; the research into the work of introducing from abroad, digesting and absorbing technology; and so on. [no closing quotes as published] It is worth mentioning that the draft plan for the reform of China's scientific system, which has attracted world attention, was also completed in this center.

Well-known scientists and social scientists including Qian Xuesen, Yu Guangyuan, and Tong Dalin are concurrent research fellows of this institute. Wu Mingyu, its director, is now vice minister in charge of the State Scientific and Technological Commission and is also one of the major officials in charge of formulating China's scientific and technological policies.

Bi Dachuan, vice director of the research center, told this reporter that a research institute like this is indispensable for a big country like China with a population of 1 billion people. Making arbitrary decisions based on personal will will only bungle state affairs. Therefore when they do their work, they do not consider the will of people as individuals but act on the basis of facts and data and make overall scientific and systematic analysis to provide ground for the formulation of policies.

He said that according to the proposal of Song Jian, minister in charge of the State Scientific and Technological Commission, they are carrying out the research to make a forecast concerning the policy of the 5-hour work day system [wu xiaoshi gongzuo zhi -- 0063 1420 2514 1562 0155 0455] to probe into the timing for China to implement this system and the changes it may bring about to China's economic development, to people's traditional lifestyle and values, and to the traditional consumption structure. Mr Bi is now 48 years old. Before he took up this job, he worked at the Institute of Applied Mathematics. He is a mathematician. In his research institute, there are many specialists like him.

There Is a "Think Tank" in Every Ministry

Now, "think tanks" of this kind have been established one after another in the State Council and all the ministries and commissions. In the CPC Central Committee Secretariat, there is the Rural Policy Research Center led by Du Runsheng, a specialist on agricultural issues. The major task for this office is to formulate the committee's Document No 1 every year which provides guiding agricultural policies. In the State Council, there are the International Affairs Research Center led by well-known diplomat Huan Xiang and the Development Research Center led by economist Ma Hong. In the State Planning Commission, there is a forecast center; in the Ministry of Nuclear Industry, a development research center; and in the Ministry of Aeronautics Industry, a system engineering research center.

While catering to the needs at home, the scientists also look for opportunities abroad. In carrying out research into the policies related to economic development and science and technology, Chinese research institutes have set up relations with the United States, Britain, Canada, Australia, Japan, the Soviet Union, and Eastern European countries. [paragraph continues]

They are cooperating with the U.S. Rand Corporation in carrying out the research into China's energy policies and with the British Scientific Policy Research Institute in investing the practice in exploiting oil in the South China Sea. They are also formulating plans of cooperated research with the U.S. Stamford International Research Center, the Sloane School of Management of the Massachusetts Institute of Technology, Japan's Mistubishi Comprehensive Research Institute, and Italy's Trieste University.

STUDENTS HELD FOR 'ANTIREVOLUTIONARY OFFENCES'

HK210825 Hong Kong HONGKONG STANDARD in English 21 Aug 86 p 3

[Text] Two Beijing University students have been in custody for four months after being charged with antirevolutionary offences, a university source said. But so far the pair have not appeared before a court.

THE STANDARD learned recently that the pair were supposed to be tried in late June.

Zhang Xiaofei and Li Caian, second-year and third-year students respectively, of the department of history, were arrested by police in April, after they jointly wrote a theoretical article which criticised Marxism and the leadership of the communists.

Chinese authorities have been reluctant to reveal anything about the pair however, two letters confirming the arrests have been sent to the Hong Kong University Students' Union from the Beijing University's student union.

A student from the department of international politics at Beijing University said another student involved was expelled by the university.

The warrants of arrest were issued on April 12 and the two students were charged with advocating antirevolutionary activities. Zhang was arrested in the classroom on April 2 and Li in his dormitory that night.

All their personal possessions were confiscated.

Shortly before the incident, the two students had circulated their article, the theme of which revolved around the young Marx's theory, in the campus.

The pair apparently took part in the anti-Japanese "9.18 rally".

Zhang is said to have good academic record and reputation on campus, while Li has been described as a loner and sometimes radical.

ANHUI PLANS ID CARDS ISSUANCE IN 8 CITIES

OW201305 Hefei Anhui Provincial Service in Mandarin 1000 GMT 19 Aug 86

[Excerpts] The provincial people's government held a telephone conference yesterday afternoon to discuss matters concerning the issuance of identification cards to residents of the eight cities directly under the jurisdiction of the provincial government.

Zhao Huaishou, secretary general of the provincial people's government, spoke at the conference. He said: it has been a whole year since our province began preparations for issuing city residents' identification cards according to the unified arrangements made by the central and provincial governments. Governments at all levels in our province have done a great deal of work in making plans and conducting experiments at selected points. However, problems still exist; mainly, some cities have failed to fully understand importance of this task. [passage omitted]

Zhao Huaishou said: To successfully carry out this task, the eight cities directly under the provincial government must have a clear understanding of the task, strengthen their leadership, make great efforts to train needed personnel, and pay utmost attention to the quality of this work. [passage omitted]

SHANDONG OPENS TWO MORE PORTS TO FOREIGN SHIPS

OW200820 Beijing XINHUA in English 0645 GMT 20 Aug 86

[Text] Jinan, August 20 (XINHUA) -- Shandong Province has opened two more of its local ports to foreign ships, the provincial people's government announced here today. The port of Lanshan and a new local port at Shijiu -- Shandong's sixth and seventh open ports -- are located between Qingdao in Shandong and Lianyungang in Jiangsu Province. Both ports are linked to major rail lines.

Provincial officials said the opening of the two harbors to foreigners will cut some transportation costs, ease traffic at the crowded Qingdao and Lianyungang Ports, and shorten delays at international ports along China's coast. The Lanshan port, with an annual cargo capacity of more than one million tons, has a 20,000-ton class deep-water berth, where foreign ships may anchor for loading and unloading. The new port at Shijiu is adjacent to a much larger port administered by the central government and already open to foreign traffic.

The smaller Shijiu port has a 500-ton berth, with good conditions for barge operations, according to officials.

SHANDONG SECRETARY ON DEVELOPING TOWN ENTERPRISES

SK1808020 Jinan Shandong Provincial Service in Mandarin 2200 GMT 16 Aug 86

[Text] From 18 July to 15 August, Liang Buting, secretary of the provincial party committee, went deep into the urban and rural areas of Weifang, Yantai, and Qingdao to inspect the realities of these areas and to discuss with provincial, county, township, town, and village cadres issues concerning accelerating the development of town and township enterprises and matters of vital importance concerning enlivening the circulation of rural commodities, and to study and formulate new policies and measures to promote the flourishing developoment of the rural commodity economy.

Comrade Liang Buting made this inspection tour based on his inspections in more than 20 counties in 9 prefectures and cities in the western part of the province during the first half of this year.

While continuing to go deep into the realities, Comrade Liang Buting further ascertained the great potential and vast vistas for developing town and township enterprises.

Many town and township enterprises in the eastern part of the province have not only produced and processed agricultural and sideline products, but have also produced high-and medium-grade products in service of large industrial enterprises and the production and livelihood of urban and rural people. These enterprises have created famous-brand, quality products and export products that can earn foreign exchange.

The experience gained by typical units show that the localities where town and township enterprises are well developed have also achieved the building of the spiritual civililisation and the people in these localities are rich. Thus, the development of town and township enterprises is a major strategic measure to promote the overall development of the national economy as well as a major measure to promote building the spiritual civilization, and the only way for the people to move from having merely adequate food and clothing to being fairly well-off.

The development of town and township enterprises in the province is uneven at present, and is principally restricted by the outdated traditional ideas and the impeded circulation fields and partly by some objective conditions. By abiding by the old method of monopoly for purchasing and marketing the commodities instead of establishing direct contacts between producing and marketing departments, some departments purchased commodities from each and every household and sold them through various links. As a result, many circulation links were added. Taking into consideration only their own interests to the neglect of social benefit, some departments did not purchase or supply the commodities that they should purchase and supply, and deliberately make things difficult for town and township enterprises and peasants. This directly affects the development of town and township enterprises.

Concerning these problems, Comrade Liang Buting repeatedly stressed: Developing town and township enterprises and enlivening rural commodity circulation is a project which involves all of society. Only by carrying out reform in a coordinated manner can town and township enterprises score good economic results and can we score good social benefits. The governments at all levels and all functional departments should renew their thinking and ideas and reform old regulations, rules, and systems that do not suit the development of the commodity economy. On the premise of not violating regulations set forth in the policies of the central authorities and in line with the principle of benefiting the state, the collectives, and the masses, we should relax control and adopt flexible measures when necessary. Supply and marketing cooperatives should attach primary importance to reforming the operation and management system and inquire deeply into reality to take off the official clothes and put on civilian clothes instead, to be cooperative commerce in reality as well as in name, and to strive for existence and development by serving the peasants and town and township enterprises.

We should adopt various ways to manage the agricultural and sideline products and raw materials whose management is not controlled by the state. We should build roads and open through trains linking different enterprises, cities, and provinces, and linking the urban areas with the rural ones in an effort to establish direct contacts between producing and marketing departments. We should establish market mechanisms suitable for the development of the socialist commodity economy and strive to avoid major ups and downs in prices and production so as to safeguard the long-term, stable interests of producers, managers, and consumers.

Comrade Liang Buting also pointed out in his inspection tour. That should foster the idea of the commodity economy and adopt feasible measures for reform in order to solve problems concerning the lack of materials, energy resources, funds, and talented persons cropping up the course of advance. We should rely on ourselves to solve these problems.

With regard to solving the problem concerning the lack of raw materials, we should set up material markets suitable to the development of town and township enterprises and conduct purchasing and marketing through negotiations. We should pay attention to give play to the functions of the vast number of buyers and sellers and the function of the existing trade associations and joint economic cooperatives, and adopt various means and open various channels to solve the problem concerning the lack of raw materials. With regard to solving the problem of lack of energy resources, we should regard the building of small thermal power plants as a key measure for accelerating the pace of development of town and township enterprises. We should encourage and support the counties, townships, and towns with condtions to collect funds to build collectively owned power plants and give preferential treatment to them in terms of their taxes. With regard to the problem concerning a lack of talented persons, we should widely open up channels for cultivating talented persons, make the most of local talented persons, and enthusiastically invite talented persons from other places, in particular, retired engineers and technicians. With regard to the problem of a lack of funds, we should guide the cadres and the masses to use surplus funds to develop town and township enterprises, encourage the masses to adopt various means to collect funds for developing various kinds of cooperatives, and encourage the peasants to buy shares and to collect funds to run plants.

While investigating realities, Comrade Liang Buting also called on leading cadres at all levels to further eliminate the influence of leftist ideology; to adjust themselves to the new rural economic situation as soon as possible; to consciously talk about, discuss, and develop the commodity economy; and to creatively do their work in the spirit of reform in order to promote the flourishing development of the rural commodity economy.

SHANGHAI IMPROVES FACILITIES FOR FOREIGN FIRMS

OW210257 Beijing XINHUA in English 0117 GMT 21 Aug 86

[Text] Shanghai, August 21 (XINHUA) -- The Shanghai local authorities are working hard to improve the infrastructure and work efficiency of China's leading industrial and port city to attract more foreign investors.

According to a municipal decree passed here last month, the procedures for approving foreign investments must be simplified and be completed within a set period.

The Shanghai Da Jiang Company, a China-Thailand joint venture which breeds and sells Chickens, started operation one year after the signing of the agreement. Being China's major complex integrating the breeding, processing and selling of Chickens and eggs, it covers 180 hectares and comprises three processing factories and a farm. It products are now being sold on domestic and international markets.

As China's major industrial base, Shanghai has a solid industrial foundation characterized by sophisticated technology and a large number of skilled workers. But it also suffers from congested traffic, a housing shortage, ineffiecent telecommunications system and inadequate supply of power.

These have caused foreign enterpreneurs to hesitate to invest further in China, said Lu Guoxian, vice-chairman of the municipal Commission of Foreign Economic Relations and Trade.

Last year, for instance, the manager of the Shanghai Universal Toy Company, a Shanghai-Hong Kong Joint Venture, complained about the poor telephone service, increased charges for electricity and unreliable water supply hampering the normal production of the factory, which is located in the new industrial zone in Minhang, 30 kilometers south of the city center.

In response, early this year the municipal government exempted the company from the increased electricity charges, and the overcharges on the installment of telephones and telexes were returned to the factory. Water and electricity supply became stable.

In the past two years, a local construction company has spent more than 100 million yuan building roads, workshops, warehouses, apartment buildings and other service facilities in this new zone.

The toy factory produced 5.5 million toys in the first six months of this year and is making a substantial profit, a Chinese manager told XINHUA.

Mayor Jiang Zemin said that during the next five years, the muncipal government will earmark 10 billion yuan to improve the city's hotel services, water and power supply, and the transportation and communications systems. Its target is to attract several billion U.S. dollars in foreign investment, he said.

John McCoy, president of the Sino-American Shanghai Squibb Pharmaceuticals Company, said that one expect everything to become perfect overnight. One should have time an patience. He said he believed that the investment climate here would become better and better.

ZHEJIANG'S WANG FANG ADVISES LIBERATION OF MIND

OW191633 Hangzhou Zhejiang Provincial Service in Mandarin 0900 GMT 18 Aug 86

[Excerpts] The Zhejiang Provincial CPC Committee today held a meeting of the leading bodies of the organs under the direct administration of the provincial government to exchange their experiences in improving work style and in strengthening themselves ideologically, and to study the issue of how to further implement work in this respect.

Wang Fang, secretary of the Zhejiang Provincial CPC Committee, delivered an important speech. In his speech, Comrade Wang Fang stressed: A corresponding reform in the political system is required in the course of carrying out the reform of the economic structure. In order to achieve successes in political system reforms and economic structural reforms, it is necessary to further liberate people's minds and ways of thinking and to break the bondage of all kinds of old ideas. To do so, leading cadres should conscientiously study the basics of Marxism-Leninism and the party's line, principles, and policies, should carry out investigation and study better by addressing the realities of life, and should ponder and recognize some problems anew. Thus, they will be able to guide the masses forward in the course of reform by clear-headedly understanding its importance.

Wang Fang said: In order to adapt to the new situation of the reform and of opening to the outside world, special attention must be given to solving the following three problems in an endeavor to improve leading bodies' work styles:

First, it is essential for leading cadres to enhance party spirit in order to become honest public servants of the people. Every leading cadre should take no bribes but use his power to work for the public interest. He should also make earnest efforts to eliminate malpractices prevailing in various trades, thereby fulfilling the purpose of serving the people wholeheartedly.

Second, it is necessary to strengthen democratic centralism and unity among leading bodies, to oppose the practice of what I say counts, and create a democratic atmosphere for everyone to speak out freely. [passage omitted]

Third, it is imperative to develop a practical work style. [passage omitted] Every leading comrade should conduct more investigations and studies to keep abreast of new developments, to solve new problems, and to combat various forms of bureaucracy. [passage omitted]

Attending today's meeting were more than 500 members of the leading bodies of the organs under the provincial government, provincial CPC Committee Deputy Secretary Chen Fawen, and others. Presiding over the meeting was Shen Guifang, member of the provincial party committee Standing Committee and head of the Organization Department of the provincial party committee.

GUANGDONG LEADER ON TOWNSHIP ENTERPRISE GROWTH

HK200303 Guangzhou Guangdong Provincial Service in Mandarin 0900 GMT 19 Aug 86

[Text] Guo Rongchang, deputy secretary of the provincial party committee, stressed at a provincial conference on township enterprises convened in Guangzhou this morning that Guangdong should continue to uphold the principle of speeding up the development of these enterprises at various levels by applying various patterns and methods, so as to bring about relatively rapid development of these enterprises at the five levels of district, township, village, combination of households, and household. This was stated by Guo Rongchang after reviewing the development of the province's township enterprises during the Sixth 5-Year Plan and comparing their shortcomings with the enterprises in southern Jiangsu and Wenzhou.

He said: Although the province's township enterprises have developed greatly and scored great success, they have serious shortcomings. There are big imbalances in development in different types of areas. Moreover, we cannot be compared with Jiangsu and Zhejiang in absorbing surplus rural manpower, proportion of total income and output value in the national totals, and growth rate of enterprises at district and township levels.

On the main efforts to be made in developing the province's township enterprises in the future, Guo Rongchang said that the Zhu Jiang Delta, where district and township collective enterprises are relatively well developed, and some other areas where such enterprises have a certain foundation should unswervingly get a good grasp of these enterprises, and develop them by further tapping all internal potentials. We should focus on technically skilled enterprises and on projects requiring a high degree of precision and technical skill. Mountain areas and some poor coastal areas that are economically undeveloped should focus on developing enterprises run by combinations of households or single households. It is particularly necessary to take advantage of the natural strong points of mountain and coastal resources by vigorously developing small hydroelectric projects, mining, and the processing of agricultural, forestry, sideline, and aquatic products.

Comrade Guo Rongchang said: We must correctly handle the relationship between accumulation and consumption in the course of developing the township enterprises. We must vigorously develop lateral ties, and actively import capital, equipment, technology, and talent.

SHENZHEN LEADER ON FUTURE DEVELOPMENT IDEAS

HK200301 Guangzhou Guangdong Provincial Service in Mandarin 0900 GMT 19 Aug 86

[Text] According to the SHENZHEN TEQU GONGREN BAO [SHENZHEN SPECIAL ZONE WORKERS' JOURNAL], Shenzhen City CPC Committee secretary and Major Li Hao said at a meeting of cadres at and above bureau-level on 6 August that as a result of the efforts of the past year, in the main aspects of economic work, Shenzhen has now emerged from its most difficult period and has gradually embarked on the track of steady, sustained, coordinated, and healthy development.

Comrade Li Hao said: The city party committee's idea is to initially build Shenzhen into a controlled free-market economic pattern [you kongzhi de ziyou sichang jingji moshi] in 3 years of efforts starting now. This pattern should have a high degree of being open to the world. We should form an outward-oriented economic setup based on industry, and integrating industry and trade, with good export strength and rational structure of trades and products.

Shenzhen should gradually perfect its special zone legislation within 3 years. It should formulate new favored treatment polices in the light of developments, and make these policies permanent in the form of laws. The special zone should practice tax exemption and grudually simplify the entry and exist procedures for Hong Kong and Macao compatriots and people from overseas. We should build the Shenzhen special zone into a free trade zone [ziytou maoyi qu]

HUNAN MEETING DISCUSSES STAFFING OF ORGANS

HK200211 Changsha Hunan Provincial Service in Mandarin 2200 GMT 19 Aug 86

[Excerpts] How should we go about doing a good job of staffing the organs by applying the reform spirit in the new situation? A provincial conference on staffing work, convened from 14 to 19 August, specifically discussed this question. At the conclusion of the meeting, Sun Wensheng, member of the Standing Committee of the provincial party committee and director of the Organization Department, delivered a summation report. Liu Zheng, deputy secretary of the provincial party committee, made a speech. [passage omitted]

The participating comrades held: Conducting political structure reform including structural reform of the state organs, is currently a major affair for the party and state. It is closely linked with the professional work of the staffing and organizational and personnel departments.

The structural reform that commenced in 1982 has produced a certain degree of success. However, in the past 2 years more organs have beet set up, staffing has expanded, organs have been upgraded, and there has been chaotic division of duties, as a result of loss of control in staffing the organs and a certain loss of macro control following the delegation of cadre management juristiction powers to lower levels. According to provincial stastistics of the end of 1985, comparing the staffing in party, government, and mass organization organs at and above county-level with the staffing during the structural reform period, there were 430 organs and 15,000 staff more than the stipulated numbers. Last year, undertakings and units increased their staff by 60,000, requiring an annual sum of 100 million yuan in personnel expenditure alone. As a result, the organs have become too large and overstaffed, and problems are kicked to and fro, hampering reform.

Hence, it is highly essential to carry out structural reform, gradually establish policy-making organs and coordinated and coordinated and highly-efficient executive organs and put them on a sound basis, strengthen the administrative supervisory organs, and modernize administrative management.

In their speeches, the responsible comrades of the provincial party committee demanded that leaders at all levels and comrades engaged in staffing and personnel work start with themselves and help the party members and cadres to eliminate old ideas and concepts out of step with structural reform, establish new ideas suited to the new situation, and act in the spirit of reform to make a success of staffing the organs.

SICHUAN EXPERIMENTS WITH 'ECOLOGICAL FARMING'

OW210313 Beijing XINHUA in English 0141 GMT 21 Aug 86

[Text] Chongqing, August 21 (XINHUA) -- A new form of farming in southwest China is making water spout in the once-dry springs and birds return to the woods. Ecological farming, being experimented with here in Dazhu Conty near Chongqing City, is showing better economic and environmental results, said an agricultural official of the city.

Based on the theories advanced by Prof. Yi Qianji from the Southwest Agriculture University, Chongqing City chose Dazhu County to experiment with ecological farming in 1984. Worsening environmental conditions were seriously hindering the country's agricultural development at the time, said Zhang Zhuyou, project official of the county.

Typical of the whole Sichuan basin, the experimental area had 1.3 percent of woods in 1983 compared to 50.2 percent in 1957; eroded soil took up 63.8 percent of this 33-square-kilometre area and over 600 wells or springs dried up due to the lowered water table, said Zhang Zhuyou. The county decided to adjust the agricultural structure first. According to Zhang Zhuyou, the county officials have since converted over 66 hectares of rice fields into woods, planted 5.4 million trees, seeded over 13 hectares of grass and planted 50,000 fruit trees. Labor engaged in industrial, commerce, transportation and service sectors takes up 65 percent now from seven percent before the experiment. As a result, agriculture is now in greater harmony with the natural environment, said Zhang.

Reports say the county harvests 4.8 percent more grain a year now than before the experiment, despite the fact that a large stretch of paddy fields was allocated for tree-planting. It also turns out 80,000 liters more milk and 200 tons more fruit each year. The county also helped set up 13 ecological farming households, said Zhang.

Xie, Baijun, farmer in Cuiping Village in the area, has found an ecological chain of his own. He uses grain and wheat bran to feed pigs; the pigs' excrement is then used to generate methane for cooking; the residue from the methane pit is used to cultivate earthworms; and the waste discharged by the earthworms fertilizes his grapes and oranges. "My family earns 10,000 yuan (about 2,700 U.S. dollars) a year now, almost twice as much as in 1983," said Xie.

Peasants' per capita income in the experimental area has risen from 176 yuan in 1983 to 309 yuan last year, county officals said. Secretary of the Sichuan provincial party committee recently visited the area and encouraged officials to expand the experiment. Prof. Yi said that Chongqing City government had allocated 80,000 yuan (about 21,600 U.S. dollars) to help set up an ecological farming research institute. According to Prof. Yi, there are six ecological farming experimental areas in China now; Dazhu is the largest.

CHONGQING OFFICIALS ACT ON LETTERS FROM PEOPLE

OW210323 Beijing XINHUA in English 0132 GMT 21 Aug 86

[Text] Chongqing, August 21 (XINHUA) -- Chongqing, one of China's most populous cities, located in Sichuan Province, has formed a system whereby top officials read letters from local people and deal with their problems.

"This is in line with party General Secretary Hu Yaobang's call that every leading official should read one or two letters from the masses every day," said Qu Kaiyuan, deputy director of the city office which handles letters of complaint from the public.

Under the old setup, letters and reports had to climb the administrative ladder step by step before any action was taken. This naturally led to extensive delays. But now, much speedier steps can be taken as the problems come immediately to the attention of the top figures. Apart from setting up special offices in each county and district to collect letters from local people, the city government has also installed a special "hotline" in the mayor's office for calls of complaint and suggestion from the public.

Qu noted that letters to the city government range from personal problems, exposing bureaucratism and unhealthy social phenomena to making suggestions during the current economic reform. "People are welcome to report problems to any leader," he noted.

Last year, the office received a harsh worded letter from a single woman named Liu Ziaoyu, who had been out of a job for more than ten years because of severe shortsightedness.

"She was depressed and wrote the letter," Qu explained instead of taking offence. The office made contact with the Labor Bureau and finally found a job for her.

Founded after China's liberation in 1949, the office was suspended during the "Cultural Revolution" (1966-76) and resumed in 1979.

Qu said, "There are more letters and reports on exposing bureaucratism and making suggestions about the current economic reform than about personal problems nowadays." A student at a school in Jiangbei County near Chongqing told XINHUA, "Writing to the mayor is a really very efficient way to solve problems."

His school is near a chemical factory, hydrogen sulfide and hydrogen chloride from which polluted the air. Students and teachers had complained to the factory leaders against air pollution for years but in vain. In October last year, more than 200 students and teachers jointly wrote a letter to the city mayor. The city Environment Department came to make an investigation and help the factory install recycling devices to turn the pollutants into refined hydrochloric acid. An official in charge of housing distribution who had violated state policies and recklessly issued bonuses was dismissed when the office received a letter exposing him and made an investigation.

Qu said the office often synthesizes suggestions and opinions from the public and submits them to the city government. The government then makes policies in line with their suggestions. The city's experience was praised by Vice-Premier Wan Li who called on the whole country to learn from Chongqing.

YUNNAN LEADERS ATTEND ADVISORY COMMISSION MEETING

HK200153 Kunming Yunnan Provincial Service in Mandarin 2200 GMT 18 Aug 86

[Excerpts] The second plenary meeting of the Advisory Commission of the Yunnan Provincal CPC Committee, which had lasted 5 days, concluded on the morning of 18 August. The meeting stressed: The main point of the work of the Advisory Commission is to give full play to its political role as advisor and assistant and to enthusiastically support the work of the new leadership group.

Attending this meeting were Li Qiming, Liu Minghui, Zhang Zhixiu, and Xie Zhenhua, Central Advisory Commission members in Kunming; Xue Tao and Gao Zhiguo, former leaders of the provincial CPC Committee; some retired veteran comrades; provincial Advisory Commission members; and leading comrades of units concerned. Some 1,000 retired cadres being handled at and above the departmental level attended the meeting as nonvoting delegates and listened to reports.

Provincial Advisory Commission Chairman Li Xingwang conveyed the spirit of the meeting of the chairman of all provincial, municipal, and autonomous regional advisory commissions of the whole country which was held by the Central Advisory Commission. Pu Chaozhu and Liu Shusheng, responsible comrades of the provincial CPC Committee, attended the meeting. Comrades Li Shuji and Zhu Kui reported on the situation in the work of the provincial CPC Committee and on the economic situation. [passage omitted]

They held that over the past year and more since the establishment of the provincial Advisory Commission, under the leadership of the provincial CPC Committee and with the support of departments concerned, the commission members have done some work in giving play to their political role as advisor and assistant. In the future we must continue to do well in grasping five aspects of work:

1. It is necessary to vigorously support the work of the leadership group.

2. It is essential to intensify study and to constantly enhance theoretic and policy levels.

3. It is imperative to continuously conduct investigations and studies.

4. We must do more social work.

5. It is necessary to continuously make good arrangements for the livelihood of the commission members in their remaining years and show concern for the livelihood of the retired cadres.

At the conclusion of the meeting, Comrade Li Xingwang delivered the summation speech.

Comrades Pu Chaozhu, Zhu Zhihui, Li Shuji, and Yin Jun attended the meeting. Comrade Pu Chaozhu spoke. [passage omitted] Comrade Pu Chaozhu hoped that the veteran comrades stepping down to the second line would continue to study, vigorously push reform forward, and, if their health permits, constantly conduct investigations and studies. [passage omitted]

'BIGGEST FLOOD PEAK' PASSES IN HARBIN 20 AUG

OW201424 Beijing XINHUA in English 1414 GMT 20 Aug 86

[Text] Harbin, August 20 (XINHUA) -- The biggest flood peak in the Songhua River in the past 29 years passed Harbin, capital of Heilongjiang Province in northeast China, this afternoon without causing any damage. The front of the flood arrived at Harbin Sunday, causing the water in the dykes to swell above the level of the city.

More than 40,000 soldiers and civilians have worked on a 25-km-long section of the river banks to protect the city, according to a spokesman for the city government.

GAO DI STRESSES JILIN IDEOLOGICAL, POLITICAL WORK

SK210628 Changchun Jilin Provincial Service in Mandarin 0930 GMT 20 Aug 86

[Text] The third meeting of party representatives of the Jilin Chemical Industrial Company that was held for 3 days ended on 20 August. Gao Di, secretary of the provincial party committee; Jia Qingli, chairman of the commission for promoting enterprise management under the Ministry of Chemical Industry; and some other leading comrades attended the meeting to extend their warm congratulations.

After fully affirming the outstanding achievements scored by the Jilin Chemical Industrial Company in building the two civilizations and its great contributions to the whole province, Comrade Gao Di dwelt on the current reform and on strengthening the political and ideological work. He said: Under the new situation of reform, leaders at all levels and the vast number of party members should further enhance their understanding of reform, should uphold the orientation of reform, should show concern for give support to, and take part in reform, and should guide the broad masses of workers and staff members to push forward the reform continously. We should, on the one hand, consolidate, assimilate, replenish and improve the reform measures we have already adopted; and should, on the other hand, introduce the plant director responsibility system, the labor contract system, and the lateral economic cooperation, with the stress on the reform of leadership system, in order to make new progress and gain new experience in this regard. The key to promoting reform and developing production lies in mobilizing the initiative of the broad masses of cadres and staff members. To mobilize their initiative, we must strengthen ideological and political work. The success in ideological and political work is the basic guarantee for achieving success in all items of work. At present, we are faced with a period of replacement of the old structure by the new and a period of changing from the closed and semiclosed state to that of comprehensively opening to the outside places and from the self-supporting and semi-self-supporting economy to a planned commodity economy. Now, reform has extended from the rural areas to the urban areas and from the economic field to various other fields in society. This extensive and profound social change has helped, to an extent seldom seen in the past, the people break with some long-standing modes, traditional concepts, and outmoded ideas on the relationship between different people. Under this situation, the people's thinkings have been brisk as never before, and various thinkings -- correct, advanced, erroneous, and backward ones -- have emerged. This has set a new and still higher demand on our ideological and political work. Therefore, the ideological and political work should not only be strengthened but also be improved.

By strengthening the ideological and political work, we mean that not only party committees should attach importance to the ideological and political work, leaders of all units and departments should also pay attention to the work; and not only should we give full play to the role of the political work departments and cadres, but also should mobilize the forces in all fields to conduct education among the people. By improving the ideological and political work we mean that we should conscientiously study and explore new laws, characteristics, and forms of the ideological and political work under the new situation so that we can yield greater results in developing the ideological and political work.

LIAONING CPPCC STANDING COMMITTEE MEETING ENDS

SK190815 Shenyang LIAONING RIBAO in Chinese 8 Aug 86 p 1

[Excerpts] The 4-day 18th Enlarged Standing Committee meeting of the 5th provincial CPPCC Committee came to an end on the afternoon of 7 August.

The issue of building spiritual civilization was the main topic for discussion at the Enlarged Standing Committee meeting. The committee members present at the meeting heard speeches concerning investigations on building spiritual civilization given by various work groups, and briefings of building spiritual civilizations given by some city CPPCC committees. The meeting also adopted a report on the appointment and removal of personnel.

Sun Qi, deputy secretary of the provincial party committee, gave a speech at the meeting. He said: Taking the building of spiritual civilization as the main topic and focusing on the discussion of achieving remarkable improvements in the social conduct of 13 cities within this year, the meeting has pooled the wisdom of all and offered plans and suggestions. This is of great significance in displaying the role of the united front and the CPPCC in the course of building a socialist spiritual civilization and in promoting the development of the two civilizations. This meeting is also of great value in improving the work of the party committee and government and solving problems in building the spiritual civilization. [passage omitted]

Xu Shaofu, chairman of the provincial CPPCC Committee, gave a summing-up speech at the end of the meeting. He said: Strengthening the building of socialist spiritual civilization is a long-term strategic task. It is hoped that all committee members and comrades of various work groups will continue to actively participate in the investigation, observation, and inspection work, and to offer advice for further strengthening the building of spiritual civilization. [passage omitted]

Attending the meeting were Chen Enfeng, Zhang Yan, Chen Yanzhi, Niu Pingfu, Yu jingqing, Liu Mingjiu, Lu Guangji, gu Xueqiu, Ma Longxiang, Yue Weichun, and Liu Qingkui, vice chairman of the provincial CPPCC Committee, and Xu Hongwen, secretary general.

Ninety members of the Standing Committee of the provincial CPPCC Committee attended the meeting. Vice chairman of various city CPPCC committees attended the meeting as observers.

GANSU PEASANTS URGED TO ACQUIRE COMMODITY CONCEPT

HK200257 Lanzhou Gansu Provincial Service in Mandarin 2200 GMT 19 Aug 86

["Chat for Everybody" by (Luo Zuxiao): "Help the Peasants To Establish the Commodity Concept"]

[Excerpts] I heard a leading comrade of the provincial authorities say that while visiting a certain county recently, he found that a peasant who was raising over 100 cattle was living in dire poverty. I felt very unhappy at this. This peasant should really not have been living in such poverty. [passage omitted] By raising over 100 cattle, he should have become a 10,000-yuan household.

The fact that this peasant with over 100 cattle was living a life of poverty shows how important it is for the peasants of our province to establish the commodity concept. it is because they lack this concepts that the peasants in many parts of Gansu stick to the old ways, tilling the land to eat, raising cattle to plow the fields, raising chickens to exchange them for oil and salt, and so on. No matter how much they produce, they are unwilling to sell things for cash. Unless these old concepts are destroyed, how can strong points in natural resources be transformed into commodity strong points, and how can still better economic results be obtained from planting grass and raising livestock?

Hence it is evident that helping the peasants to establish the commodity production concept is a major problem urgently awaiting solution in the course of eradicating poverty and making the people rich in the rural areas. We hope that the rural cadres will make greater efforts in this respect. [passage omitted]

SHAANXI SCORES GAINS IN STRUGGLE AGAINST THEFT

HK160720 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 14 Aug 86

[Excerpt] 14 August, (Ai Pishun), deputy director of the provincial Public Security department, briefed press units on progress in the antitheft struggle in the province. The spokesman said that by 6 August, over 3,000 people in the province had reported, exposed, or provided clues to nearly 5,000 criminal cases. The province seized more than 700 criminals and handed them over to the public security authorities, cracked down some major cases, some gangs, arrested a number of criminals, and seized some stolen goods. In only 1 month, the province cracked down on more that 3,000 criminal cases, arrested more than 2,000 criminals, and destroyed nearly 200 gangs. Awed by legal power and under the pressure of public opinion and the influence of the party's policies, gangs began to disintegrate and crumble. More than 800 criminals surrendered on their own or with the push of their parents or family members. More than 1,000 convicted criminals or detained suspects confessed their other crimes, exposed and reported their accomplices, and provided clues for nearly 2,000 cases. [passage omitted]

HONG KONG, MACAO CPPCC MEMBERS VISIT SHAANXI

HK190237 Xian Shaanxi Provincial Service in Mandarin 2330 GMT 17 Aug 86

[Text] On the afternoon of 17 August, leaders of the provincial party and government, including Bai Jinian, Li Qingwei and provincial CPPCC Committee Chairman Tan Weixu, met all members of the visiting and investigation group of Hong Kong and Macao members of the CPPCC National Committee.

At the meeting, Bai Jinian and Li Qingwei said: Shaanxi not only has many cultural relics, but also modernized industry such as the Shaanxi Kinescope Plant and Xian Airplane Manufacturing Company. They are top of the line in the country. Shaanxi industry has very great potential, but some enterprises' equipment is from the 1950's and needs constant improvements and modifications.

Bai Jinian and Li Qingwei also introduced to them the situation in the development of agricultural production, tourism work, and communications work in Shaanxi. They hoped that the committee members of the investigation group would make criticism of and give guidance to all aspects of work in Shaanxi Province and Xian City.

Liu Gangmin, Wu Qinghun, Fu Daoshen, Hu Jingtong, Gao Lingyun, Yuan Zhengzhong, and Shao Wuxuan attended the meeting.

The visiting and investigation group of Hong Kong and Macao members of the CPPCC National Committee, a delegation of about 20 people led by Wong Kwan-cheng, a CPPCC National Committee Standing Committee member and chairman of the board of directors of (Wei-Ta) Company of Hong Kong, arrived in Xian by plane on 17 August in the afternoon. The investigation group includes Li Tse-chung, CPPCC National Committee Standing Committee member and director of WEN WEI PO of Hong Kong; (Hsu Teng-liang), CPPCC National Committee-member and chairman of the board of directors of the Hua Feng Chinese Products Company Limited of Hong Kong; (Pan Chiang-wei), CPPCC National Committee member and adviser to the Hong Kong and Kowloon Federation of Trade Unions; and (Chiu Cheng-chang), CPPCC National Committee member and chairman of the board of directors of (Chi Hua) Petroleum Company Limited of Macao.

The evening of 17 August, the provincial CPPCC Committee gave a dinner for all the members of the investigation group.

PRC TO ALLOW TAIWAN CONTACTS WITH INTERPOL

OW190421 Beijing in Mandarin to Taiwan 1500 GMT 18 Aug 86

[Text] After consultations between the Interpol Secretariat and the China Bureau of Interpol, the mainland has agreed that Taiwan may maintain ties with Interpol headquarters and all its member countries and areas through the Interpol communications network in the name of China-Taiwan Police Bureau or China-Taibei Police Bureau. Related messages will be forwarded to the China Bureau by Interpol headquarters. Zhu Entao, Chinese member of the Interpol Executive Committee, reaffirmed that the mainland will cooperate with Taiwan to deal blows at criminal offenses in the future.

TAIWAN'S ADMISSION TO ASIAN OLYMPIC BODY VIEWED

OW210457 Beijing in Mandarin to Taiwan 1500 GMT 18 Aug 86

[Text] Wei Jizhong, deputy secretary general of the Chinese Olympic Committee, said in Beijing on 16 August that if the China-Taibei Olympic Committee recognizes the Constitution of the Asian Olympic Committee, strictly follows the International Olympic Committee's Nagoya Resolution, and goes through due formalities, China will not oppose China-Taibei Olympic Committee's admission into the Council of the Asian Olympic Committee.

At a press conference Wei Jizhong said: In accordance with the Nagoya Resolution, Taiwan should use the name China-Taibei Olympic Committee and change the flag, song, and emblem it has been using. Wei Jizhong said: We all know that the China-Taibei Olympic Committee is a local sports organization of China. He said that the Chinese Olympic Committee has not received any material that the China-Taibei Olympic Committee's admission into the Council of the Asian Olympic Committee will be discussed at the time of the 10th Asian Games.

When asked about the nomination of He Zhenliang, vice minister of China's State Physical Culture and Sports Commission, to run for chairman of the Council of the Asian Olympic Committee, Wei Jizhong said: China nominated He Zhenliang to run for chairman of the Council of the Asian Olympic Committee in the hope of promoting sports and the Olympic Games in Asia. He Zhenliang is presently an International Olympic Committee Executive Board member.

TAIWAN BUDDHISTS ASKED TO ATTEND ANHUI SERVICE

OW201301 Beijing in Mandarin to Taiwan 1500 GMT 19 Aug 86

[Excerpts] According to a report from Hefei, a grand Buddhist service will be held on 11 and 12 September on Jiuhua Shan, one of the four famous Buddhist mountains in China. The Jiuhuashan Buddhist Association has sent a message to Master (Bai Zong) of the Taiwan Buddhist Association, inviting the latter association to send representatives to attend the service. Invitations have also been sent to personages of Buddhist circles in Hong Kong, Japan, the United States, Thailand, the Philippines, and Singapore, the report says. [passage omitted]

Jiuhua Shan is located 20 kilometers southwest of Qingyang County in Anhui Province. It is said that (Dizang) Buddha once visited and preached there.

TAIWAN CONCERNED OVER U.S. ARMS SALES TO PRC

OW210619 Taipei International Service in English 0200 GMT 20 Aug 86

[Text] The Republic of China [ROC] Vice Foreign Minister John H. Chang said the ROC has relayed a message of concern to the United States over U.S. arms sales to the Communist China.

Speaking before more than 30 American journalists and opinion leaders representing the World Media Association, the recently appointed vice foreign minister also said the United States has made it clear that it has no intention of asking the ROC to hold peace talks under any forms with the communists. The United States has also refused to act as a mediator between the two sides of the Taiwan Strait.

Although the United States has not sold advanced jet fighters to the ROC, Chang said, arms sales relations in other areas have been progressing well.

Chang emphasized that the ROC plays an important strategic role in upholding security in the Asian and Pacific regions. Chang said, quote, the threat of the Chinese communists to use force against us still exists, unquote.

Chang also touched on trade issues with the American visitors. The ROC Government, he said, sincerely hopes to correct the trade imbalance. He noted the recent departure of another buy American mission to the United States, and tariff reductions as evidence of the nation's sincerity.

TAIWAN TO TAKE FLEXIBLE STANCE IN TRADE TALKS

OW210631 Taipei CHINA POST in English 18 Aug 86 p 2

[Text] The Ministry of Economic Affairs (MOEA) will ask delegates to represent the nation in the ROC-U.S. tariff talks this coming September to make calculated concessions on lowering tariffs and liberalizing the market so that a fair agreement can be negotiated. The talks will focus on the GSP status that the U.S. presently permits ROC exports.

Board of Foreign Trade Dirctor General Vincent Siew noted that the U.S. had a 44-person delegation in the recently concluded talks in Washington. He said that the ROC must also be well prepared for the September discussions.

The MOEA stressed that for the coming rounds of ROC-U.S. trade talks the U.S. will call for voluntary restraint by the ROC of steel and machine tool exports to the U.S., revisions of the ROC's export performance requirements for automobiles, further reduction of trade barriers and access for U.S. companies to enter the local land transport industry.

Director General Siew said that the ROC had maintained GSP status for U.S. $1.8 billion worth of exports to the U.S. in the trade talks in Washington.

OFFICIAL REPORTS ON TRADE TALKS WITH U.S.

OW201611 Taipei CNA in English 1501 GMT 20 Aug 86

[Text] Taipei, Aug. 20 (CNA) -- The ROC [Republic of China] Government is determined to fulfill its promise of opening the country to imports of American cigarettes and alcoholic beverages, but it will have further discussions with American negotiators on the calculation of the prices of these products, an economic official said Wednesday.

The ROC-USA trade ad hoc committee under the Executive Yuan convened a meeting Wednesday, in which Vincent C. Siew, director general of the Board of Foreign Trade, made a report on the results of the ROC-USA trade consultations which concluded in Washington earlier this month and on the strategies for future trade talks with the United States.

A spokesman for the committee said that the Taiwan Tobacco and Wine Monopoly Bureau has mapped out a mutually acceptable plan for the calculation of prices of American cigarettes and alcoholic beverages, but he declined to elaborate on details of this plan.

Wang Chou-ming, chairman of the Council for Economic Planning and Development who is also a member of the ad hoc committee, said that the government will not change its policy of opening the market here to the import of these American goods and will have further discussions with the U.S. to resolve some technical problems.

TEXTILE INDUSTRY URGES REOPENING OF U.S. TALKS

OW210301 Taipei CNA in English 0235 GMT 21 Aug 86

[Text] Taipei, Aug. 20 (CNA) -- Dissatisfied with U.S. discrimination against textile imports from this nation, some domestic textile manufacturers have called on the Board of Foreign Trade [BOFT] to reopen its textile talks with the United States.

BOFT Director General Vincent C. Siew said Wednesday that he will deliver their opinions to American trade officials at a proper time. (He added, however, that in the face of surging waves of protectionism in the U.S., reopening textile talks with the U.S. will not necessarily benefit this nation.)

Domestic textile manufacturers said that the U.S. has recently reached a six-year textile accord with Hong Kong allowing Hong Kong to increase its textile exports to the U.S. at an annual rate of one percent. In August, the U.S. also signed a four-year agreement with South Korea permitting its textile exports to the U.S. to increase by 0.8 percent per year, they said.

Compared with those two export powers, the annual growth rate for the ROC's textile exports to the U.S. will be limited to 0.5 percent in the next three years, and this is obviously unfair treatment, they complained.

They pointed out that the U.S. adopted a biased attitude toward the nation's textile products on the ground that the ROC imposed high tariffs on U.S. textile products, but since the Finance Ministry has announced it will lower tariffs on U.S. textile products, the U.S. has no reason to continue its discrimination against this nation.

They called on the BOFT to reopen its textile talks with the U.S. in order to fight for fairer and more reasonable conditions for the nation's textile exports to the U.S.

TRADE TALKS WITH U.S. VIEWED AS 'POSITIVE'

OW200647 Taipei CHINA POST in English 17 Aug 86 p 2

[Editorial: "Trade Negotiations and Economic Liberalization"]

[Text] What can we make of our trade negotiations with the United States which have just been concluded? Did the United States gain at our expense? Or did we gain at the American's expense? The answer is neither, for in our view, both the U.S. and the R.O.C. have gained.

On the American side, what the White House wanted was to fight against the protectionist measures, which basically aim at curtailing imports into America in order to reduce the American trade deficit. The protectionist proposals as passed or initiated in the Congress would surely benefit those industries which are under protection, but the American consumers and the American export industries would suffer. The net result of the protectionist measures would be an inefficient utilization of resources. On the other hand, what the White House wanted was to increase American exports to help resolve the trade deficit problem.

From our point of view, we did not want any curtailment or any drastic slow-down of our exports on which our economic growth depends. What we wanted was to increase our imports in order to reduce our trade surplus.

The trade negotiations which we have just concluded with the United States achieved essentially what both sides wanted: An increase in our imports from the U.S. and an increase in our exports to the U.S.

For many items among our exports to the U.S. we will continue to enjoy special preferential traiffs according to the agreement. This is of course very important to us as the total value of these items amounted to some U.S, $1,800 million last year. However, we should expect that the protectionists in the U.S. will not be happy with this and will continue to push their protectionist measures. This is something we will have to keep in mind when deciding our trade policies in the future.

As for our imports, we have agreed to lower tariff rates (by as much as 50 percent in some cases) on some 58 items. These include refrigerators, washing machines, chocolate, cherries, frozen peas and toilet paper. We have also agreed to allow pears to be imported. No official studies are yet available as to how the scheduled reduction of tariffs would affect the various concerned industries, but it is clear that the consumer of these items will be happy.

In addition to lowering tariff rates, we have also reached agreement with the U.S. on two other issues which have also attracted much attention. First, we have agreed to discontinue the use of "customs tables," or the practice of computing import duties on the basis of government-set prices instead of on the transaction value or invoice price. Secondly, we have agreed to allow the Americans to invest in the local insurance industry.

The matter of "customs tables" attracted a great deal of attention simply because President Reagan threatened to adopt retaliatory measures against us unless we abolished them. It is very unfortunate that this matter got the attention it did. There was no good reason for us to adopt this practice to begin with.

If we say we want to lower our tariff barriers, then let us do it, that is, by lowering tariffs. We cannot say we will lower tariffs or relax import restrictions on the one hand, and then at the same time arbitrarily set high prices which will be used for computing duties on imports. This would obviously provide ground to our trading partners which would cast doubt on our sincerity and our liberalization policy. We are glad to see that we have agreed to abolish this practice beginning in October.

As regards opening up our insurance business to American investors, we do not see anything wrong with this decision. The insurance business has nothing to do with national monopolies. (A natural monopoly exists when the nature of the business is such that monopoly will prevail.) Foreign investment in this field will only increase competition, improve efficiency and benefit consumers.

We might add here that service industries will become the "infant industry" argument and adopt protectionist policies. Competition from foreign firms can be very helpful in improving management and technology. For example, the McDonalds fast-food outlets have had very useful "demonstration effect" on the management of our restaurants.

All told, we believe that the results of the trade negotiations with the U.S. are positive and represent a step forward toward economic liberalization. We should commend all those who have participated in the decision-making and in the actual negotiating processes.

PRC-PORTUGAL TO HOLD MACAO TALKS 9-10 SEPTEMBER

OW210610 Beijing XINHUA in English 0603 GMT 21 Aug 86

[Text] Beijing, August 21 (XINHUA) -- The Government of the People's Republic of China and the Government of the Republic of Portugal have agreed that the second round of the talks on the settlement of the Macao question will be held from 9 to 10 September 1986 in Beijing.

Further Report

HK210835 Hong Kong HONGKONG STANDARD in English 21 Aug 86 p 3

[Text] China and Portugal will hold a second round of talks on the future of Macao in Beijing next month, according to a joint statement issued yesterday.

The talks will be held on September 9 and 10.

The renewed debate follows the agenda set by the first meeting held in Beijing on June 30 and July 1.

Besides setting the agenda, it is understood that China has expressed concern over the use of the concept of "one country, two system", which forms the cornerstone of the Sino-British Joint Declaration, the guiding principle for the design of Macao's future.

Under this concept, Macao would become a special administrative region under Chinese sovereignty while exercising a high degree of autonomy.

There is apparently no dispute over the sovereignty of Macao and talks will focus on issues related to the smooth handover of power from Portuguese administrators to Macanese.

The issues will include the nationality of local-born Portuguese, the legal system, the language, and the localisation of the civil service.

The date for completion of the transfer of power will be another topic.

It is understood China may not apply the same deadline for Hong Kong's return of sovereignty in July, 1997, to Macao's settlement, as it recognises the differences between Macao and Hong Kong.

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PRC DELEGATE ADDRESSES DISARMAMENT CONFERENCE

OW220646 Beijing XINHUA in English 0621 GMT 22 Aug 86

[Text] Geneva, August 21 (XINHUA) — Ambassador Fan Guoxiang, head of China's delegation to the 40-nation Geneva Conference on Disarmament (CD), told the conference today it has made some progress but has so far fallen far short of expectations.

For years, Fan said, "people throughout the world have been ardently hoping that the CD could carry out substantive negotiations on a nuclear test ban, nuclear disarmament and prevention of nuclear war, and produce practical and effective results. It is therefore disappointing that year after year the CD has remained in a state of inertia."

The 1986 session opened in Geneva June 10.

On the prevention of an arms race in outer space, Fan pointed out in his address that existing international legal instruments are of some significance but all have limitations and are thus inadequate for preventing the arms race from moving into space. "It is therefore necessary to conclude new international legal instruments," he added.

On chemical weapons, the Chinese ambassador said "We should not overlook the fact that a large amount of work still needs to be done in negotating a convention on the prohibition of chemical weapons, in view of the differences on" ways of verifying that countries are complying with a ban."

"We welcome the willingness expressed by the two states with the largest weapons and hope that they will substantiate their intention with action," he added.

Fan, turning to the relationship between nuclear and non-nuclear-weapon states is the complete prohibition and thorough destruction of nuclear weapons. In order to reduce the nuclear threat to non-nuclear-weapon states, all nuclear weapon states should, pending nuclear disarmament, undertake not to use or threaten to use nuclear weapons against non-nuclear-weapon states and nuclear free zones.

"China has declared on many occasions that it unconditionally assumes this obligation. We are also in favour of concluding an international convention on protecting non-nuclear-weapon states against the use and threat of use of nuclear weapons," he said.

The Chinese ambassador also expressed his support for "the Mexican Statement" issued recently by the leaders of Mexico, Argentina, Greece, Sweden, India and Tanzania calling on the United States and the Soviet Union to halt arms race.

He said the end of the arms race and maintenance of world peace are the common aspiration and strong demand of the people throughout the world and of all peace-advocating countries. Settling differences and disputes through dialogue has become the trend in the contemporary world, a development welcomed by the international community.

Ambassador Fan said China sincerely hopes that at such an important juncture the disarmament conference will score real achievements, instead of simply going through the motions.

The Geneva Conference on Disarmament is expected to conclude on August 29.

RENMIN RIBAO ON IXTAPA DISARMAMENT PROPOSAL

HK210901 Beijing RENMIN RIBAO in Chinese 13 Aug 86 p 6

["Jottings" by Liu Ban: "The Voice of Ixtapa"]

[Text] Last week, a group of six countries held a summit meeting in Ixtapa, a tourist resort in Mexico. The meeting and its "Mexico Statement" seemed to be just another page in the annals of countless international meetings and documents, but people still noticed that an extraordinary voice had come from Ixtapa.

The meeting solemnly raised the demand that all non-nuclear countries have the right to participate in the discussions on nuclear disarmament, and pointed out that "the international community must not accept the big powers' domination of the world's destiny." The meeting also pointed out that "mankind is now facing increasingly serious nuclear threats" and that the United States and the Soviet Union, as major nuclear powers, bear special duties and responsibilities for nuclear disarmament. The meeting called on all peoples, parliaments, and governments to support the peace efforts of these six countries and to urge the United States and the Soviet Union to first stop all nuclear tests.

The meeting announced a plan to establish a global monitoring system to force the United States and the Soviet Union to stop nuclear tests. The meeting proposed that three to eight monitoring stations be set up in the nuclear test area in the United States and the Soviet Union and demanded that the United States and the Soviet Union open 20 to 30 earthquake monitoring stations to the international community so as to sound out their reactions. The meeting also declared that if the United States and the Soviet Union refuse to do so, these countries themselves will do so on their own.

Commentators hold that although the six countries would have difficulty carrying out the monitoring task by themselves, their proposal "will get sufficient support" and "the advanced scientific and engineering capacity of more than 10 countries will be able to operate this monitoring system, because there are signs that some countries are willing to participate in this plan." Other commentators said when pointing out the significance of this move of the six-country group: This will be a "third eye" to monitor the nuclear arms race.

Two years ago, when the group was founded by Mexico, Argentina, Greece, Sweden, India, and Tanzania, it published a "Peace Initiative of the Five Continents." Then, it continued to make unremitting efforts for nuclear disarmament and the peace cause. At the recent meeting, President de la Madrid said: "We only hope to act as spokesmen for all mankind so as to proclaim loudly: Prevent ruin, prevent wars, ensure the existence of the human race which has miraculous and tremendous creatvity." Of course the proposal for the "third eye" may encounter difficulties and obstacles when it is put into practice, but the voice of Ixtapa indeed represents the common desire of the people on five continents.

HSIN WAN PAO ON SINO-SOVIET BORDER CLASH REPORT

HK220950 Hong Kong HSIN WAN PAO in Chinese 22 Aug 86 p 1

["News Talk" column: "Rumor About the Sino-Soviet Border Clash"]

[Text] The Japanese newspaper YOMIURI SHIMBUN this morning carried a report by its Beijing correspondent saying that skirmishes broke out between Chinese and Soviet border guards in Ili Kazak Autonomous Prefecture, Xinjiang Uygur Autonomous Region on 12 July.

YOIMURI SHIMBUN did not clearly specify the source of the report. A dispatch said that it was revealed by Eastern European diplomats in Beijing; another said it was disclosed by Chinese sources.

So far both Beijing and Moscow have not made any official comment of the report. The credibility of this report has yet to be confirmed.

The report says that a total of 13 Soviet border guards in disguise intruded into the Chinese territory on that day to make a raid, leaving one dead and one injured on the part of their Chinese counterparts, and capturing tow Chinese herdsmen and four horses.

The report also mentions three points: First, the Soviet Foreign Ministry on 14 July lodged a protest against the Chinese border guards' intrusion into Soviet territory. Second, the clash has created "high tension" between China and the Soviet Union. And third, it is because of this event that Arkhipov, first deputy chairman of the USSR Council of Ministers (or first vice premier), who arrived in Beijing last month, still remains in Beijing to make representations.

It is a fact that the Ili area of the Sino-Soviet border has repeatedly witnessed military skirmishes, among which the most serious was that bursting out between April and May 1962. Many clashes of smaller scale happened later. But no more skirmished have taken place in recent years.

For the moment nobody can tell whether the YOMIURI SHIMBUN report is true. But the point mentioned by the report that the clash has created "high tension" between China and the Soviet Union does not seem to be in keeping with the latest development of the relations between the two countries.

In mid July, the Soviet Union expressed a desire to link Chinese and Soviet railways in Xinjiang. In late July, Gorbachev went to Vladivostok to deliver a speech of Soviet policy toward Asia which contains some statements on Sino-Soviet relations. In early August, the Chinese Government made a response to Gorbachev's speech, saying that the speech has presented some new ideas but hoping that the Soviet Union would keep its word, while showing obvious disappointment of Gorbachev's skipping the Cambodian issue in his speech.

All these developments show at least that the relations between China and the Soviet Union are not in a "highly tense" state, although they do not confirm a relaxation of the relations between the two countries either. This fact is obvious to all.

Therefore, as we see it, there are three possibilities regarding this report by YOMIURI SHIMBUN: First, this is a sheer fabrication. Second, it did happen, but it was merely an individual event that can be solved by representations through local or other channels and does not merit a big fuss. And third, both China and the Soviet Union have paid great attention to the event, it leads to a quarrel between them, and the failure of negotiations results in "highly tense" relations.

Given the present situation, it appears that the first two possibilities are more reasonable than the last, which is not consistent with the latest development.

Gorbachev announced 4 days ago that the Soviet Union would unilaterally extend the period of suspension of nuclear tests to 1 January next year. The last expiry date for suspension of nuclear tests set by the Soviet Union was 6 August. But Gorbachev did not announce the extension of the nuclear test suspension period until 12 days later, on 18 August. Western analysts said the 12-day delay gave the Soviet authorities the time to reach a compromise with the military. To find out whether this speculation is correct with regard to Gorbachev's policy on Asia, we look forward to statements from Moscow and Beijing on this report by YOMIURI SHIMBUN.

Soviet Source Confirms Incident

HK220842 Hong Kong AFP in English 0831 GMT 22 Aug 86

[By Pierre-Antoine Donnet]

[Text] Beijing, Aug 22 (AFP) -- An armed incident occurred last month between Soviet and Chinese border guards in China's northwest border region, an informed Soviet source said here Friday, describing the incident as minor.

"The incident which occurred on the border between the Soviet Union and China was minor and resulted from a misunderstanding between the Soviet and Chinese sides," the source added.

(In Tokyo, the newspaper YOMIURI SHIMBUN said Friday that a Chinese soldier was killed and another wounded during a border incident which occurred on July 12.

(In the report, a Chinese official was quoted by East European sources as saying that 13 Soviet frontier guards, who were in disguise, had opened fire on a Chinese patrol.)

The incident happened in the border area separating the Soviet Republic of kazhakstan and the Xinjiang Uygur Autonomous Region in northwest China, the Soviet source added.

"Soviet and Chinese local authorities have sought to establish the exact causes of the incident so that such an incident would not happen again," the source said. The source did not say whether there had been any casualties in the incident.

The Chinese Foreign Ministry took note of a question about the incident. A spokesman for the Soviet Embassy here said: "We have no comment on this."

"Local Chinese and Soviet authorities agree that the incident was minor and isolated," the Soviet source said. The source said last month's incident was not premediated and would not affect Sino-Soviet relations.

Li Shaoqian, deputy director of the Xinjiang Border Affairs Office, replied to a telephone query: "We have heard nothing about this."

(The Japanese newspaper report said the encounter had taken place in the Ili Kazakh Autonomous Prefecture in northern Xinjiang and that two Chinese civilians had been taken away by Soviet border guards.)

Western diplomats here said that if the incident had in fact taken place, both countries, and especially the Soviet Union, would have sought to minimize its impact given current moves to improve Sino-Soviet relations. Neither country had any interest in provoking a border confrontation just as Moscow was making overtures to Beijing in an effort to build up a climate of trust, the diplomats said.

In a major foreign policy speech delivered July 28, Soviet leader Mikhail Gorbachev proposed resolving a territorial dispute involving the Ussuri River which borders China's northeast province of Heilongjiang, the scene of bloody Sino-Soviet clashes in March 1969.

Mr Gorbachev indicated the Soviet Union would henceforth regard the border as lying along the middle of the Ussuri and Amur Rivers, rather than along the Chinese Bank.

Bloody clashes between Chinese and Soviet border troops flared up on the island of Chenbao on March 2, 1969, causing several dozen casualties. Other confrontations occurred March 15 in the same region, followed by less serious incidents there and in Xinjiang in the spring and summer that year.

In May 1978, fresh clashes occurred in Heilongjiang in northeast China, and again in July 1979 in Yilin Prefecture. That incident left one Chinese soldier dead and one wounded.

The Soviet military presence along the Sino-Soviet border, which Beijing estimates at one million troops, is one of three obstacles Beijing says is blocking normalization of relations with Moscow. The two other obstacles Beijing cites are Moscow's support for the Vietnamese occupation of Cambodia and the Soviet military presence in Afghanistan.

XINHUA REPORTS ON SOVIET NUCLEAR PRESS CONFERENCE

OW211828 Beijing XINHUA in English 1810 GMT 21 Aug 86

["Senior Soviet Official on Causes of Chernobyl Accident, Says Nuclear Program Badly Hurt" -- XINHUA headline]

[Text] Moscow, August 21 (XINHUA) -- A top atomic energy official said today the Chernobyl nuclear accident occurred due to "gross human error," and that is badly hurt the nation's nuclear program.

Speaking at a news conference, Andranik Petrosyants, chairman of the State Nuclear Energy Committee, said the accident occurred after the Number 4 Chernobyl reactor had been operating for 11 hours without it's cooling system during a scheduled services operation.

He said there were two explosions in the reactor on April 26, one caused by a huge concentration of steam and another, chemical blast caused by oxygen reacting with the hot core of the reactor.

Petrosyants said, "Before the fourth unit had been stopped for planned repairs after two years of operation, the plant managers decided to test the turbogenerator. It was a purely electrical engineering job which was not at all related to the reactor."

He said, "The investigation found out, however, that the quality of the execution of the test program had been poor and that it had not provided for essential safety measures. There were obvious manifestations of negligence, irresponsibility and conceit, which resulted in the accident." Petrosyants said the accident could be blamed almost entirely on human error.

The accident, he added, "badly affected Soviet atomic power engineering and will undoubtedly have an effect on the world's atomic power industry as a whole."

According to him, "the Chernobyl plant, incorporating four 1,000,000 kilowatt reactors, had been working satisfactorily. In 1985, it generated 29 billion kilowatt hours of electricity."

The death toll from the Chernobyl nuclear accident has risen to 31 from 28 as announced in late July.

At the same press conference, Leonid Ilin, a vice president of the Soviet Academy of Medical Sciences who has monitored health consequences of the accident, said 203 people were found to have suffered radiation sickness, and three of them are in serious condition. Ilin said 135,000 people were evacuated from the northern Ukraine and southern Belorussia after the accident. The Chernobyl plant is 130 kilometers north of Kiev. He indicated that this included all those moved out of a 30-kilometer danger zone drawn around the power plant as well as others evacuated from areas beyond that limit.

BEIJING MAYOR CHEN XITONG TOURS MOSCOW

OW211750 Beijing XINHUA in English 1739 GMT 21 Aug 86

[Text] Moscow, August 21 (XINHUA) -- The goodwill delegation from the Chinese capital of Beijing headed by Mayor Chen Xitong has spent the last few days touring the city of Moscow to learn about its economic development, urban transport and housing construction. Since their arrival here last Sunday, the Chinese visitors also paid homage to the Lenin Mausoleum and the Tomb of Unknown Soldiers who devoted their lives in the anti-facist war. They left Moscow for Leningrad this afternoon, and from their they will go on to Kiev and Volgograd.

SOVIET SOLDIER INTERVIEWED ON AFGHANISTAN REALITIES

OW211548 Beijing XINHUA in English 1532 GMT 21 Aug 86

["Soviet Soldier Complains of Kremlin's Policy in Afghanistan" -- XINHUA headline]

[Text] Islamabad, August 21 (XINHUA) -- A Soviet soldier has pointed out that he and his colleagues fall victim to the aggressive policy of the Kremlin in Afghanistan, reported the latest issue of the "AFGHAN REALITIES".

In an interview with the Peshawar-based fortnightly, Garyagday, [name as received] 20, said: "For the above-said reason Soviet soldiers are unhappy to be sent to Afghanistan."

Garyagday had remained in one of the nine Soviet posts around the airport of Afghanistan's Ghazni Province for two years. He was captured by the Mujahedin (holy-war fighters) last month.

"Hashish is common among the Soviet soldiers in Afghanistan. Many soldiers are eager to smoke hashish, however, they are afraid of their cruel officers. Still, they try to obtain hashish from any place," Garyagday said.

He noted that he had not taken part in any operation against the Mujahedin. he left his post to buy something in a bazaar and was intercepted and captured by the Mujahedin.

"My military service was going to finish in 1986 and my parents were uneasily waiting for my return. However, what would happen?" he said.

Garyagday's eyes were filled with tears when he said that his parents were weeping on his departure for Afghanistan, the fortnightly reported.

Since the Soviet military invasion of Afghanistan in 1979, about 15,000 Soviet soldiers have been killed or wounded. At present, Soviet troops stationed in that country have increased to over 120,000.

'INFORMED SOURCE' SAYS KAPITSA WILL VISIT JAPAN

OW220020 Beijing XINHUA in English 0001 GMT 22 Aug 86

[Text] Moscow, August 21 (XINHUA) -- Soviet Vice Foreign Minister Mikhail Kapitsa will go to Japan next Wednesday for a three-day visit, a well-informed source said.

Kapitsa will exchange views with Japanese high-ranking officials on the new proposals put forward by Soviet leader Mikhail Gorbachev last month.

In a speech in the Soviet far eastern city of Vladivostok on July 27, Gorbachev declared that the Soviet Union will withdraw six Soviet Army regiments from Afghanistan by the end of this year and a substanital part of its troops from Mongolia and improve relations with China and Japan.

Kaptisa is also expected to discuss economic cooperation and Gorbachev's visit to Tokyo with Japanese officials.

Soviet Foreign Minister Eduard Shevardnadze and his Japanese counterpart Shintaro Abe exchanged visits in the first half of the year and reached an agreement that the top leaders of the two countries will also visit each other.

Tokyo holds that Gorbachev should first visit Japan since Prime Minister Kakuei Tanaka paid an official visit to Moscow in 1973, but no Soviet leader has ever visited Japan. Tokyo has expressed its desire that Gorbachev will visit Japan early next year.

The well-informed source also said that Kapitsa will pay a visit to New Zealand before his Tokyo trip.

Kapitsa's scheduled visits to Tokyo and Wellington indicate that Moscow is continuing its diplomatic offensive in the Asian-Pacific region.

WANG RENZHONG RECEIVES SOVIET PLANNING DELEGATION

OW211530 Beijing XINHUA in English 1508 GMT 21 Aug 86

[Text] Beijing, August 21 (XINHUA) -- The Financial and Economic Committee of the National People's Congress (NPC) gave a banquet here this evening for a delegation from the Budget and Planning Commission of the Council of Nationalities of the presidium of the Supreme Soviet of the U.S.S.R.

This is the first Soviet special commission delegation to visit China since the two parliaments resumed their contacts last year.

Wang Renzhong, vice-chairman of the NPC Standing Committee and chairman of the Financial and Economic Committee of the NPC, hosted the banquet and met the delegation members led by Nikolay Ivanovich Maslennikov, chairman of the Budget and Planning Commission of the Council of Nationalities.

Wang expressed the belief that the delegation's trip to China would promote mutual understanding and cooperation between the two parliaments.

Maslennikov said the Soviet delegation's visit to China had its significance, for both the Soviet and Chinese peoples are now confronted with the issue of economic and social development on a large scale. Both countries are making efforts to solve their own problems. He expressed the hope that both sides could exchange views on these issues during the visit.

The delegation arrived here today at the invitation of the Financial and Economic Committee of the NPC.

SOVIET ENSEMBLE ARRIVES IN PRC 21 AUG

OW220748 Beijing in Russian to the USSR 1800 GMT 21 Aug 86

[Text] The Soviet Barokko Ensemble headed by Galina Ivanovna Manovskaya arrived in Beijing by air on 21 August for a fortnight's performance tour of our country, in accordance with the plan for cultural cooperation between the PRC and the Soviet Union. Gao Zhanxiang, PRC vice minister of culture, held a banquet in honor of the Soviet artists in the evening of the same day.

CYL SECRETARY ON DELEGATION'S VISIT TO DPRK

SK211105 Beijing International Service in Korean 1100 GMT 20 Aug 86

["Radio speech" by Li Keqiang, secretary of the Chinese Communist Youth League (CYL) Central Committee and deputy head of the Chinese youth delegation, in connection with its visit to the DPRK -- read by announcer]

[Text] Dear Korean comrades: The Chinese youth delegation led by Comrade Song Defu, first secretary of the CYL Central Committee, will visit the DPRK. The 200 members of the Chinese youth delegation include officials and excellent youth representatives of communist youth organizations from across the country and core functionaries from various sectors.

This visit will be a great event in the history of Chinese-Korean friendship. Our Chinese CYL is sending a delegation of this size to Korea for the first time, and will hold a joint friendship meeting. At this moment, when our delegation is leaving for Korea, I remember the unforgettable days when we held a joint meeting with the 500 members of the Korean youth visiting group last summer in country. At that time, I, one of the organizers of the Chinese-Korean friendship meeting, spent unforgettable days with the Korean youths. We shared friendly sentiments with the young Korean friends while merrily singing and dancing along the (Chang) and (Hwangpu) rivers. Numerous emotional scenes left an indelible impression on the youths of the two countries. I still look back upon those days with feelings.

Availing myself of this opportunity, I extend the warm greetings of the Chinese youths to the Korean youths. I firmly believe that we will meet each other and will happily share friendly sentiments for a few days in Pyongyang and other Korean cities.

Contributing to promoting friendship between the peoples of the two countries and inheriting friendship between them eternally, generation after generation, is the most important and honorable task of this visit by our Chinese youth delegation. We sincerely rejoice over the achievements that the young friends of the DPRK attained in the work of building and defending the fatherland under the leadership of the great leader President Kim II-song and the WPK. We are also much interested in construction in Korea and the independent, peaceful reunificaion of Korea.

I firmly believe that our young generation will more beautifully help the militant friendship bloom between the peoples of the two countries, forged in blood, through joint struggles, and that we will inherit the friendship between the peoples of the two countries, continuing to carry the torch which our predecessors held. We are sure that warm meetings between the Chinese and Korean youths will greatly contribute to the eternal friendship between the peoples of the two countries.

Because the peoples of both of our countries suffered great sacrifices in the joint struggle against aggression by foreign forces and in the war of defending the fatherland, they know well how valuable peace is. A peaceful and stable international environment is necessary for both of our countries in building the fatherland. Therefore, our friendship meeting will also greatly contribute to the cause of defending peace in Asia and world peace.

Many of the comrades in our delegation are visiting Korea for the first time. The comrades of the delegation are fully resolved to learn from the Korean people, Korean youths, and the valuable experience of the LSWYK in carrying our its work during their visit to Korea. We are looking forward to happily meeting the Korean youths. We will visit Korea with the Chinese youths' warm sentiments toward the Korean youths. In conclusion, I sincerely wish that the friendship between the youths of the two countries will be everlasting and immortal, just like the green pine trees of Mt Changbai, and will be eternally unchanging just like the blue waters of the Yalu River.

GAO DI HEADS JILIN DELEGATION TO DPRK

SK220806 Changchun Jilin Provincial Service in Mandarin 2100 GMT 21 Aug 86

[Text] At the invitation of the North Hamgyong Provincial WPK committee of the DPRK, a 10-member provincial delegation headed by Gao Di, member of the CPC Central Committee and secretary of the Jilin Provincial CPC Committee; and with Li Dezhu, alternate member of the CPC Central Committee, Standing Committee member of the Jilin Provincial CPC Committee, and secretary of the Yanbian Autonomous Prefectural CPC Committee as its deputy head, left Changchun City on 21 August to go to North Hamyong Province of the DPRK through the border city, Tumen, to pay a friendly visit to the province.

The delegation consists of Chen Hong, Standing Committee member of the provincial Advisory Commission; Bi Kebin, member of the Jilin Provincial CPC Committee and director of the provincial Foreign Affairs Office; Wu Yixia, member of the Jilin Provincial CPC Committee and secretary of the Changchun City party committee; (Peng Guofeng), member of the Jilin Provincial CPC Committee and secretary of the Baicheng prefectural party committee; (Li Yuantian), deputy director of the Propaganda Department under the provincial party committee; (Li Qifeng), deputy secretary general of the provincial party committee; (Shen Jinyuan), of the Central Liaison Department in Jilin; and (Cai Changqing) and (Qian Chuan), deputy chiefs of the section under the provincial Foreign Affairs Office.

Seeing them off at the railway station were Gao Dezhan, deputy secretary of the provincial party committee and governor of the province; Li Shuren, Standing Committee member of the provincial (?Discipline Inspection) Commission; Li Demin, secretary of the provincial Discipline Inspection Commission; Geng Yuelun, secretary of the provincial party committee; (Wu Changchun), acting director of the Propaganda Department under the provincial party committee; Wang Jiatong, deputy secretary of the Changchun City cpc Committee and major of the city; and Zhu Wenyu, deputy director of the provincial Foreign Affairs Office.

XU XUEQIAN MEETS VISITORS FROM JAPAN 21 Aug

OW210936 Beijing XINHUA in English 0930 GMT 21 Aug 86

[Text] Beijing, August 21 (XINHUA) -- Wu Xueqian, Chinese state councillor and minister of foreign affairs, met with a Japanese delegation from the All Nippon Airways Co., Ltd. led by its advisor Kaheita Okazaki and President Taizo Nakamura here today.

WU XUEQIAN MEETS PAKISTANI FOREIGN SECRETARY

OW211000 Beijing XINHUA in English 0949 GMT 21 Aug 86

[Text] Beijing, August 21 (XINHUA) — Wu Xueqian, state councillor and foreign miniser, met here today Pakistani Foreign Secretary Abdul Sattar and exchanged views with him on the Afghanistan issue and the relations between China and Pakistan.

Wan Li, Pakistani Meet

OW221028 Beijing XINHUA in English 0930 GMT 22 Aug 86

[Text] Beijing, August 22 (XINHUA) — Vice-premier Wan Li today expressed his hope for the continued growth of the traditional Sino-Pakistan friendship and exchange between the two peoples. The vice-premier did this when he met with a delegation from the Pakistan Foreign Ministry, headed by Foreign Secretary Abdul Sattar at the Great Hall of the People.

Wan told his guests that he had just come back from Kashi near the Sino-Pakistan border in Xinjiang Uygur Autonomous Region and he was impressed with the friendly contacts between the two peoples there.

China will improve the conditions of the Karakorum Highway on the Chinese side as soon as possible so as to facilitate the contacts between the two peoples and further develop their traditional friendship, he said.

Wan and Sattar agreed there is great potential for Sino-Pakistan trade and economic and scientific and technological cooperation.

Briefing Wan on Pakistan's foreign policies, Sattar said Pakistan hopes for a genuine political solution to the Afghan issue. Pakistan will develop its relations with neighboring countries on the basis of sovereignty and equality, he said. The delegation is scheduled to leave for home by plane later today.

XINHUA ANSWERS QUESTIONS ON SINO-INDIAN BORDER

OW221112 Beijing XINHUA in English 1016 GMT 22 Aug 86

["True, Situation in Sumdorong Chu Valley Area on Eastern Sector of Sino-Indian Boundary" — XINHUA headline]

[Text] Beijing, August 22 (XINHUA) — The CHINA NEWS SERVICE released answers to its readers here today on the true situation on the eastern sector of the Sino-Indian boundary.

Full text of the answers reads as follows:

On 8 June this year, our service answered the questions raised by our readers concerning the Sino-Indian boundary issue.

Following the seventh round of talks between Chinese and Indian officials held in late July, Indian leaders have again repeatedly accused Chinese personnel of having crossed the so-called "legitimate" international boundary "McMahon Line" on the eastern sector of the Sino-Indian boundary and "intruded Indian territory" in Sumdorong Chu Valley area. Meanwhile, some Indian newspapers have published one article after another to play it up. Many readers have written to us, asking: What has actually happened on the eastern sector of the Sino-Indian boundary? What exactly is the truth of the whole thing? After careful investigation, our service would like to give our readers a brief account of it.

The Indian officials' description of the so-called "McMahon Line" as a "legitimate boundary" or "international boundary" between China and India is totally untenable. The Sino-Indian boundary with a total length of about 2,000 kilometres has never been formally delimited, and the successive governments of China and India have never signed any boundary treaty or agreement on it. Such being the case, whence comes such a thing as the "legitimate boundary"? This is a simple question of common sense. In history, a traditional customary boundary between China and India respected by the two peoples had naturally taken shpae on the basis of the extent of each side's administrative jurisdiction. The Sino-Indian boundary on official maps of British India before 1936 was delineated roughly along the traditional customary line. Even in the early 1950s, the Sino-Indian boundary was still designated as "undefined" or "undemarcated" on the official maps published by India. This is known to all.

The so-called "McMahon Line", a product of the colonialists' policy of aggression against China's Tibet, aroused strong indignation among the Chinese people. The Simla Conference held in 1914 did not touch on the Sino-Indian boundary question at all. The "McMahon Line" was contrived through a secret exchange of notes by the colonialists outside this conference and behind the back of the representative of the then central government of China and has never been recognized by any of the successive Chinese Governments. It is, therefore, illegal and null and void. The illegal "McMahon Line" was so unfit to stand scrutiny that no colonialists dared to have it marked on maps for over 20 years after it had been contrived. How can one imagine that the government of New China today will agree to accept such an illegal boundary line which seriously impairs China's sovereignty and territorial integrity and affects such large tracts of its territory.

As is known to all, there are disputes over all the eastern, middle and western sectors of the Sino-Indian boundary, the eastern sector being the most disputed area. After India's independence, the Indian Government not only took over that part of Chinese territory occupied by the colonialists across the traditional customary Sino-Indian boundary but pushed further north and brought under its occupation large tracts of Chinese territory. As a result, a line of actual control by the two sides has taken shape on Chinese territory, and approximately 90,000 square kilometres of Chinese territory have become disputed areas. This is the crux of the matter concerning the easter sector. The Sino-Indian boundary talks mainly concentrate on how to settle this question. It is China's consistent position that this question should be setteld through friendly consultations in a spirit of mutual understanding and mutual accommodation. This is most fair and reasonable. The Indian side's arbitrary description of the illegal "McMahon Line" as a "legitimate international boundary" in an attempt to delimit the boundary on this basis can never be recognized or accepted by the Chinese people.

As for the question of the Sumdorong Chu Valley area (namely, the Wangdung area), the spokesman of the Chinese Foreign Ministry already made it clear on 16 July. This area has always been part of the Chinese territory. It is located not only far beyond the north of the traditional Sino-Indian boundary but also on the Chinese side of the line of actual control by the two sides. China does not recognize the illegal "McMahon Line" even according to the original map of the "McMahon Line", the Sumdorong Chu Valley area is also located north of the latitude of the line specified on the said map. This cannot be altered. China possesses the original map of the illegal "McMahon line" and so does India. Just have one look at it, things will be very clear. Neither the unwarranted charges nor the distorted propaganda made by the Indian side can change this fact.

Therefore, India's accusation that Chinese personnel "intruded" into Indian territory is totally groundless. Chinese frontier guards were just patrolling and performing their duties on their own territory and did not cross the line of actual control at all. Although the present line of actual control on the eastern sector of the Sino-Indian boundary is extremely unreasonable, the Chinese side has been strictly abiding by this line, pending a negotiated settlement of the Sino-Indian boundary question. The problem is that, taking advantage of the intervals when China's patrolling stopped for a while, the Indian side crossed the line of actual control in some areas in an attempt to further nibble away Chinese territory and create new areas of dispute. As for the repeated crossing of the line of actual control by Indian aircraft and military personnel, the Chinese side has over the years exercised great restraint, advising the Indian side time and again not to go on like that. But, such activities by the Indian side have continued unabated. Moreover, the Indian side even attempts to claim all Chinese territory it intends to occupy through expansion as Indian territory. Sumdorong Chu Valley area is just a case in point. Areas it has occupied are called its territory, and areas it has not occupied, it wants to occupy. What logic is this. Of course, the Chinese side will not let this go unchecked. The above-mentioned erroneous doings of the Indian side have not only disturbed peace and tranquillity in the border areas but are detrimental to the improvement of Sino-Indian relations and settlement of the boundary question through negotiations.

Our service has learned that the Chinese Government hopes most sincerely to develop good-neighbourly and friendly relations with India and see an early settlement of boundary question. While seeking a settlement, China works energetically to develop bilateral relations. We regard this as in conformity with the aspirations and interests of both the Chinese and Indian peoples and conducive to peace in Asia and the world as a whole. We believe that it will not be too difficult to settle the boundary question through patient and friendly consultations in the spirit of mutual understanding and mutual accommodation so long as China and India follow the five principles of peaceful coexistence jointly initiated by the two countries, respect history and take the realities into account, and at the same time take into consideration the national feelings of the two peoples. In this connection, mutual understanding and mutual accommodation are the key to solving the boundary question. It will be impossible to solve the question if only one side is asked to make concession.

'ENCOURAGING' TRADE INCREASE WITH EEC SEEN

HK220058 Beijing CHINA DAILY in English 22 Aug 86 p 1

[By staff reporter Liu Dizhong]

[Text] Trade volume between China and the European Economic Community (EEC) is expected to hit a new record of $8 billion this year.

The EEC has surged ahead as one of the most active of the nation's major trading partners over the past few years because of China's open policy.

China-EEC trade increased in value between 1970 and 1985 from $814 million to $7.3 billion, making EEC the third in trade value with China, behind Japan and Hong Kong-Macao.

In the first half of this year, the figure reached nearly $4 billion, an increase of 28.1 percent over the same months last year.

According to a senior official of the Ministry of the Foreign Economic Relations and Trade, trade value in terms of overall imports and exports in the second half of a year is usually higher than in the first half. "The total value of trade with the EEC this year may surpass that of last year," he said.

Over the past six months, he said, exports to the 12-member Western European trade bloc shot up 34.7 percent to reach $1.25 billion while imports soared to $2.71 billion, 24.3 percent up compared to the corresponding period a year ago.

The obvious increase of China's exports to the EEC was "very encouraging" despite the existing deficit of $1.46 billion, the official noted.

He attributed the China-EEC trade expansion to the mutual visits of state leaders over past few years, particularly Premier Zhao Ziyang's tour of Western European countries in June last year.

Their joint efforts have played "a significant role" in strengthening the trade links between China and EEC, he said.

The "favorable turn" of the EEC economy this year and its growing market demands also spurred China's exports to Western Europe, he said.

The devaluation of the reminbi this year would also promote China's exports. In addition there were a series of flexible policies to encourage enterprises to produce more for exports, the official said.

Besides agricultural and textile products and other traditional items, he said, China would make efforts to find new markets in Western Europe to expand its exports, including those of machinery, electrical appliances, chemical products and minerals.

To EEC countries, he said, China is a stable and great potential market as the nation needs advanced technology and up-to-date equipment to speed up its modernization programme. China would not overcome its trade deficit by reducing imports, including these from the Community.

To solve the problem, China would, on the one hand, perfect its export system, improve the quality of export products and turn out more new products to change the pattern of exports.

Information

On the other, China needed the support and cooperation of the EEC in its effort to expand its exports, including the wider opening of EEC markets to China, relaxing its restrictions on the import of some products from China and offering more trade information.

The flexibility of the EEC countries over technology transfers and the export of advanced equipment to China had created "favourable conditions" for further expansion of Sino-EEC economic relations, he said.

Developing relations and cooperation on a basis of equality and mutual benefit would help both China's modernization drive and economic prosperity in Western Europe, he added.

"Prospects for trade and other forms of economic relations between China and the Community are very bright," the official predicted.

CHINA DAILY TO BE RECEIVED SAME DAY IN EUROPE

OW211920 Beijing XINHUA in English 1833 GMT 21 Aug 86

[Text] London, August 21 (XINHUA) -- CHINA DAILY, the only national English-language newspaper in the People's Republic of China will be published in London and distributed in Europe from September 1, it was announced here today.

The paper concluded earlier today an agreement with the MIRROR group newspapers in Britain, owned by Robert Maxwell, appointing the latter as exclusive agent to print and distribute CHINA DAILY in Britain and 13 other European countries.

Chen Li, deputy general editor of the daily, and Peter Jay, chief of staff to Robert Maxwell, told the press that CHINA DAILY would transmit every day all its pages by satellite to London from its headquarters in Beijing and that the paper would appear in Western Europe on the same day of its publication.

"I am so pleased to learn that there will now be a European edition of CHINA DAILY," said Prime Minister Margaret Thatcher in a message." "It marks a further step in the spirit of cooperation and friendship between China and European countries," she said, having pointed out that it would help people in Europe to know more about important developments within China, and "their effect upon the lives of its people."

CHINA DAILY, founded in June 1981, has now a daily circulation of 100,000. In China it is printed in Bejing, Shanghai and Guangzhou. From the Beijing editorial office the paper is transmitted by satellite to Hong Kong, New York and and San Francisco where it is printed and distributed on the same day as the Beijing edition.

The eight-page broadsheet newspaper covers a wide range of political, economic, social and cultural events in China as well as world affairs. It is published each day of the week except Sunday.

FRG ECONOMIC MINISTER'S PRC TOUR PREVIEWED

OW220740 Beijing XINHUA in English 0635 GMT 22 Aug 86

[Text] Bonn, August 21 (XINHUA) — Federal German Economic Minister Martin Bangemann begins a five-day Chinese tour on Friday with a view to expanding the trade and economic ties between the two nations.

According to a Ministry communique released Thursday, Bangemann will meet with Chinese ministers responsible for foreign trade, chemicals, coal production, and the election and machine building industries on how Federal Germany can help China reach the goals set out in its Seventh Five-Year Plan.

Leading Federal German industrialists and businessmen will accompany the minister and join an economic cooperation committee made up of both countries.

Federal Germany has so far signed more than 300 economic cooperation contracts with China, which is its secondest largest trade partner in Asia after Japan.

HUANG HUA MEETS CYPRIOT INFORMATION DELEGATION

OW201158 Beijing XINHUA in English 1022 GMT 20 Aug 86

[Text] Beijing, August 20 (XINHUA) -- Huang Hua, vice-chairman of the Standing Committee of China's National People's Congress, met here today Kypros psyllidhes, director of the Press and Information Office of Cyprus, and his wife.

Huang briefed his guests on China's economic restructuring and peaceful settlement of the Hong Kong question.

The vice-chairman expressed the hope that journalists of the two countries should strengthen their mutual understanding and cooperation.

CHEN FAWEN MEETS, FETES PCI SECRETARY

OW211407 Hangzhou ZHEJIANG RIBAO in Chinese 14 Aug 86 p 1

[Text] Chen Fawen, deputy secretary of the Zhejiang Provincial CPC Committee, met and feted last evening at the Hangzhou Hotel (Juan Gialant,) member of the Italian Communist Party [PCI] Central Committee Secretariat, and his wife. Chen Fawen expressed a warm welcome to the guests on their visit to Zhejiang Province.

Zhang Xiangshan, adviser to the International Liaison Department of the CPC Central Committee, who accompanied the guests on their visit to Zhejiang; and Cai Shun, deputy director of the Zhejiang Provincial Office of Foreign Affairs, attended the meeting and banquet.

The Italian guests arived in Hangzhou from Xian on 13 August, and will leave Hangzhou for Shanghai on 16 August.

SHIJIE ZHISHI ON 'EUREKA' PROGRAM DEVELOPMENT

HK201043 Beijing SHIJIE ZHISHI in Chinese No 15, 1 Aug 86 p 15

[Article by Zhen Xian: "New Progress in the 'Eureka' Program"]

[Text] "Our move has begun and we are gaining momentum." This was said by British Secretary of Trade and Industry Channon on the "Eureka" program at the third ministerial conference on the program. On 30 June, 40 foreign ministers and ministers in charge of industry and scientific research from 19 countries in Western Europe gathered in London and further promoted the "Eureka" program. This conference achieved new positive achievements on the basis of the Paris conference held in July 1985 and the Hanover conference held in November 1985. First, the conference admitted Iceland as a new member, so that te program's number of participating countries increased to 19, Second, the 62 cooperative projects adopted by the conference exceeded the previous 10 in terms of quantity, intensiveness, and extensiveness. These new projects mainly involve such areas as information, robots, new materials, biological technology, and so on. Some large projects are the "Prometheus" project to develop "computerised traffic systems," the "EAST" project to develop "software that can produce software," and so on. It is expected that the investment sum needed totals 2 billion European currency units (about $2 billion). Third, the conference found sources for part of the funds from the govenments. France decided to provide 350 million francs this year. It also promised to increase the amount by 100 percent next year and to provide 1 billion francs each year after 1987. Britain announced that it would provide 10 million pounds annually to the program. The FRG decided that between now and 1995, it would provide 500 million marks annually to the program. Fourth, it established a 7-member permanent Secretariat, which will be located in Brussels. Xavier Fels, the conference also adopted the procedure for implementing the cooperative projects: All participating countries should deliver to the Secretariat projects worked out by themselves and adopted by their governments. Other countries should propose within 45 days their opinions on participating in the projects. In addition, the conference decided to hold the next ministerial conference on "Eureka" in Stockholm in December.

The "Eureka" program has achieved this progress mainly because: First, the West European countries have strengthened their "sense of being part of Europe." Last year, Mitterrand proposed this program mainly because he did not want Europe to become the "processing factory" of the United States and Japan in the area of new technology. Over the year, the West European countries' feelings of exerting themselves in science and technology grew stronger. French press commented on this London conference and said: "Eureka" is mainly a reflection of European thinking. It shows that the Europeans are not willing just to play a support role in a world in which technology grows at a tremendous speed. [paragraph continues]

Thatcher said in her opening speech: If we fail in this program, we shall face a prospect in which the world's market of high technological products may be monopolized by the United States and Japan. Originally, Britain was not so enthusiastic about the "Eureka" program. But it took a more active role at this conference, and decided to participate in 28 of the 62 projects.

West Germany was also more active than before, and decided to take part in 19 projects. France is the sponsor of the program. After a change of French Government in March this year, the Chirac administration continued to actively promote this program. It sent the minister of foreign affairs, the minister of industry, and the minister of scientific research to attend the conference. It also pledged that France would support this program with its financial efforts.

Second, the United States encountered difficulties in its "Strategic Defense Initiative." After the accident of space shuttle "Challenger" in January this year, public opinion held that this setback smashed the "technological myth" of the United States. The progress of the project was postponed, and people felt doubt about it. Therefore, European entrepreneurs became more interested in the civilian "Eureka" program. Third, the United States sets harsh terms for foreign nations that participate in the "Strategic Defense Initiative." There are rigid regulations on project items that are open to the participating enterprises, a well as on sharing the technological achievements. Thus, the actual benefits gained by foreign enterprises are very limited. On the contrary, the "Eureka" program is much more favorable. It adopots a flexible and diversified mode of cooperation, and the participating enterprises can choose freely their favorable project items. Be it a large- or small-scale one, there is no restriction on the share and target of cooperation. Therefore, all large, medium-sized, and small enterprises can gain benefits from this. Originally, some small countries such as the Benelux countries were afraid that the program would be under the control of large countries and they would share only little benefits. But the London conference put their mind at ease.

The London conference showed once again that the "Eureka" program reflects the interests and needs of European countries. With more countries participating in the program, it will make constant progress. It can be envisaged that scientific and technological cooperation will gradually become an important area helping promote the unity of Europe. Of course, it is not an easy thing for quite a number of countries and their enterprises to cooperate with ech other for the sake of this goal. In order to turn the research achievements into industry's "European brand" products that can compete with those from the United States and Japan, the European countries must solve many problems. Through scientific and technological cooperation, Western Europe will make progress while overcoming the difficulties.

SONG PING, HUNGARY'S COUNCIL VICE CHAIRMAN MEET

OW221030 Beijing XINHUA in English 0942 GMT 22 Aug 86

[Text] Beijing, August 22 (XINHUA) -- Song Ping, Chinese state councillor and minister in charge of the State Planning Commission, held talks with Lajos Faluvegi, vice-chairman of the Council of Ministers and chairman of the National Planning Office of Hungary, here today.

They exchanged views on the ongoing five-year plans and measures for economic restructuring of the two countries as well as cooperation between their organizations.

HUNGARIAN DELEGATION ARRIVES IN FUJIAN FOR VISIT

OW211835 Fuzhou FUJIAN RIBAO in Chinese 13 Aug 86 p 1

[Dispatch by reporter Weng Xinhui]

[Text] Yesterday afternoon, at the Xihu Guesthouse, Vice Governor You Dexin met with a Hungarian economic delegation, which had come to our province for an inspection and visit. The vice governor welcomed the delegation on its first visit to Fujian. He said: Hungary has many experiences worth our attention. During the past few years, we have maintained good relations. It is believed that this visit will help bring about new progress in economic cooperation and trade between Hungary and Fujian Province.

The 14-member Hungarian economic delegation headed by Ferenc Bartha, chairman of the Hungarian International Economic Relations Committee, arrived in Fuzhou from Xiamen on 11 August at the invitation of the State Economic Commission and the State Commission for Restructuring the Economic System. The main purpose of its visit is to inspect and find out how our province is reforming its economic structure and to explore the possibility of developing economic, technological, and trade exchange and cooperation with our province.

The meeting was followed by a 3-hour discussion, which proceeded in a sincere and friendly atmosphere. At first, the guests were briefed on Fujian's economic structural reform, the technological upgrading of its enterprises, and its foreign economic relations and trade respectively by Jin Ling, vice chairman of the provincial Commission for Restructuring the Economic System; Huang Wenlin, vice chairman of the provincial Economic Commission; and Zhang Liang, vice chairman of the provincial Commission for Foreign Economic Relations and Trade. Then, (Erno Kemanash), director of the Planned Economy Research Institute of the Hungarian National Planning Office, and Imre Szabo, first deputy minister of industry, gave briefings on the economic development and the imports and exports of their country.

Comrade Ferenc Bartha, leader of the delegation, said: This morning we visited some factories in Fuzhou. We feel that there are broad prospects for us to conduct cooperation in the fields of machinery, chemical, and food industries. Some products, technologies, and equipment may be supplied directly. If business is done on a credit basis or in the form of barter trade, Hungary is willing to be Fujian's trade partner.

DENG XIAOPING INSPECTS TIANJIN ECONOMIC ZONE

OW212040 Beijing XINHUA Domestic Service in Chinese 1302 GMT 21 Aug 86

[By Reporter Li Yuanpu]

[Text] Tianjin, 21 Aug (XINHUA) -- Deng Xiaoping, Standing Committee member of the Political Bureau of the CPC Central Committee and chairman of the Central Advisory Commission, inspected the Tianjin Economic and Technological Development Zone this morning. He said: "The policy of opening to the outside world will continue. Without the open policy, it will be impossible to invigorate the domestic economy. There is no question of retrenching this policy in any respect." He wrote an inscription for the development zone reading: "The development zone is highly promising."

Comrade Deng Xiaoping arrived in Tianjin on the evening of 19 August from Beidaihe. On 20 and 21 August, accompanied by Tianjin City's mayor, Li Ruihuan, he inspected Tianjin's urban construction projects and residential estates and Tianjin's new harbor as well as the economic and technological development zone under construction and Ancient Culture Street.

On the evening of 19 August when Deng Xiaoping alighted from the train, he told Li Ruihuan: "I would like to see your development zone. The Tianjin development zone is good. It is already famous, and foreign investors can put their minds at ease, since the investment environment has been improved."

Construction of the Tianjin Economic and Technological Zone began at the end of 1984 on the basis of the guiding ideology put forward by Deng Xiaoping that "the policy of opening to the outside world should go ahead instead of being retrenched." After working hard for a year and eight months, from that time to the present, 35 contracts have already been signed with foreign businessmen. Eleven countries and regions have made investments here. Twenty enterprises will be put into operation by the end of this year. When Deng Xiaoping was informed of this situation, he cheerfully told Zhang Wei, chairman of the Administrative Committee of the development zone: "The policy of opening to the outside world will continue. Without the open policy, it will be impossible to invigorate the domestic economy. There is no question of retrenching this policy in any respect." In the economic and technological development zone, Deng Xiaoping met with Chinese and foreign managers of a joint venture, visited the Danhua Company workshop and inspected bicycles that were produced on a trial basis.

A responsible person of Tianjin's new harbor gave a brief report to Deng Xiaoping. He said: Since the delegation of decision-making powers to lower-levels in Tianjin new harbor, economic efficiency has been raised by 40 percent and the harbor's handling capacity increased by 22 percent as compared with those two years ago. The problem of keeping ships at the harbor over a protracted period for loading and unloading has been solved. Deng Xiaoping said: "People are the same, and the place is the same. Efficiency is raised when reform is carried out. You have been given power. The power of man is most important. When you have power and money, the situation will be greatly changed."

When Deng Xiaoping was in Tianjin, he saw cars and motorcycles manufactured by the city with technology and equipment imported from the Federal Republic of Germany and Japan. Deng Xiaoping said: "We should try to solve problems relating to our own motor vehicles production. You should produce new designs and models. Vehicle designs should be changed periodically, just like the packaging of various commodities."

When Deng Xiaoping visited an exhibition of light industrial products in Tianjin, he made inquiries on the varieties, designs and quality of light industrial products. He emphatically pointed out: "The issue of quality is most important."

On the morning of 20 August when the weather was clearing up from an evening rain, Deng Xiaoping rode 34.5 kilometers in a sedan to inspect the trunk artery in Tianjin's transportation field -- the Zhonghuan Line which was completed on 1 July this year. On the cloverleaf overpass bridge at Zhongshanmen, Deng Xiaoping got out of the sedan to meet with Hu Xihua, designer of this ingeniously conceived bridge. Holding Hu's hand, he said: "good work, good work." Li Ruihuan briefly introduced Hu Xihua. He said: Hu Xihua is 30 years old. Since he graduated from a technical secondary school, he is not an engineer yet. According to regulations, he cannot become one yet. However, we plan to make an exception and promote him to engineer. Deng Xiaoping said. "This should be done. No one should oppose this. This is also a form of reform." Deng Xiaoping was greatly impressed by the completion of the Zhonghua Line with high speed and high quality. He said: "We would have tremendous power, if we stress political affairs in the course of making reforms and promoting modern science and technology."

After visiting Ancient Culture Street, completed on New Year's Day this year, and touring the city of Tianjin, Deng Xiaoping excitedly said: "There have been tremendous changes in Tianjin over the past few years. the city is now much more attractive than before. Ancient Culture Street is quite unique. It definitely has a strong appeal to foreigners."

Deng Xiaoping has always shown great concern over the project of diverting water from the Luan He to Tianjin. He warmly praised PLA commanders and fighters who participated in developing this project. This year is the third anniversary of the completion of the project of diverting water from the Luan He to Tianjin. On 20 August, Deng Xiaoping wrote an inscription on the stone tablet to mark the completion of the project of diverting water from the Luan He to Tianjin.

While visiting a residential area along North Xianjang Road in Hongqiao District, he saw a group of innocent and artless children playing in a garden. He cheerfully bent over to kiss the children. The children surrounded him and shouted "how are you, grandpa Deng." Deng Xiaoping cheerfully waved at the children. The garden in the residential area north of the physical culture institute in Hexi District greatly aroused Deng Xiaoping's interest. he strolled through rockeries, waterside pavilions and kiosks. Hearing that Xiaoping was here, residents in the vicinity came out to their balconies and countryards, warmly clapping their hands to welcome Comrade Deng Xiaoping.

STATE COUNCIL APPROVES TIANJIN OVERALL PLAN

OW150542 Beijing XINHUA Domestic Service in Chinese 1655 GMT 14 Aug 86

[Text] Beijing, 14 Aug (XINHUA) -- The State Council recently approved an "Overall Plan for the Construction of Tianjin Municipality," calling for making Tianjin an open, modern, and multipurpose economic center, port city, and comprehensive industrial base with advanced technology.

In approving the overall plan, the State Council pointed out in its official written reply: From now on, Tianjin should fully use its industrial foundation and resources to particularly develop new and technology-intensive industries that save water and energy and consume less raw and semifinished materials.

It should import advanced technology, transform old enterprises, and readjust the industrial structure and distribution in order to provide advanced technology, equipment, and industrial products for the development of the national economy.

The official written reply stressed: Comprehensive measures should be taken to strictly control the urban population. Arrangements for municipal construction should be properly readjusted. With the economic development of Tianjin Municipality, networks of rationally distributed towns in the suburbs and outer suburbs should be gradually formed, with Hai He as the axis, the urban area as the center, and the urgan and coastal areas as the main body. Such networks of towns will be different in nature and size. Vigorous efforts should be make to develop the coastal areas, especially the coastal area with Tanggu as its center.

The official written reply called for making vigorous efforts to improve transport facilities in Tianjin Municipality. Comprehensive masures should be taken to build a smooth, convenient, and safe transport system inside and outside the municipality as soon as possible to meet the needs of its development. In harbor construction, building more berths; expanding the port transport capacity; doing a good job in building related highways, railways, and warehouses; improving conditions in transportation; and changing the situation in which ships have to wait for quite a while before they can load or unload their cargoes should be stressed. Vigorous efforts should be made to strengthen the development and management of water and energy resources. Where conditions permit, enterprises should make full use of seawater and vigorously engage in research on the desalinization of seawater. A good job should be done in the purification and reuse of foul water. In solving the energy problem, it is necessary to adopt the principle of paying equal attention to developing and saving energy resources. In carrying out technical transformation, industrial and communications enterprises should attach importance to saving energy. In addition, a good job should be done in housing construction and the building of daily-life service facilities.

The official written reply called for doing well in making the municipality green and in environmental improvement. It is necessary to make full use of natural conditions, to expand and improve the greening area, and to improve and beautify the municipal environment. Conscientious efforts should be make to enforce the "Law on Environmental Protection," to strengthen environmental management, and to raise the quality of the municipal environment.

The official written reply pointed out: The approved overall plan for municipal construction has the character of a law. In the light of the plan for land management in Beijing, Tianjin, and Tanggu, the Tianjin Municipal Government should further improve its overall plan. It is necessary to strengthen the legal system and to formulate local regulations governing municipal planning, construction, and administration in order to bring municipal construction and administration into line with the legal system.

The official written reply called on all the party, government, and Army organizations of the central authorities as wll as of various provinces, autonomous regions, and municipalities in Tianjin to exemplarily implement its overall plan, and relevant laws and regulations, and to make concerted efforts to build Tianjin into a modern city with a high degree of socialist civilization.

TIANJIN HELPS JOINT VENTURES SOLVE PROBLEMS

OW181344 Beijing XINHUA in English 1330 GMT 18 Aug 86

[Text] Tianjin, August 18 (XINHUA) — Shortages of materials and funds, a headache plaguing many joint ventures, are being eased in Tianjin, a large port city in northern China.

During an interview with XINHUA today, Vice-Mayor Li Lanqing said that his city has established a special department of enterprises involving foreign investment in a bid to help them solve their problems. And successes have been achieved in several joint ventures.

He said that a working meeting attended by 15 civil departments and organizations is held every month in order to get rid of the annoying disputes over trifles, a common disease of many departments in the country.

As one of China's 14 open coastal cities, Tianjin has approved 165 joint ventures and cooperative ventures during the past two years, and 64 of them are already in operation.

"We pay a great deal of attention to the training of the Chinese employees in joint ventures and cooperative enterprises," the vice-mayor said, adding that 150 accountants and 200 senior managers have been trained in the past two years with the help of universities in the city.

The municipal government organizes get-togethers for foreign investors, their Chinese partners and officials. "Our goal is to create more chances for information exchanges and enhance their mutual understanding," Li said.

Statistics show that the total volume of business done by 64 joint ventures and cooperative enterprises in the first half of this year amounted to 137.9 million yuan, almost 81 percent of last year's total.

Sources said that Tianjin is now having talks with investors from Belgium, Britain, Canada, Japan and the United States for more projects.

TRENDS IN TRANSFER OF PRODUCTION OWNERSHIP

HK201327 Beijing RENMIN RIBAO in Chinese 18 Aug 86 p 5

[Article by Zuo Mu: "Uphold the Principle of Compensated Transfer of Ownership of the Means of Production"]

[Text] In the course of readjusting the ownership structure and developing lateral economic ties, we may come across the transfer of ownership of certain means of production. In the process of the transfer, instead of practicing egalitarianism and making transfer indiscriminately, we should undoubtedly exchange the means of production according to their social value. It has been reported that in the recent course of switching local state-owned enterprises into collective enterprises, some localities adopted oversimplified methods. For example, the funds of local state-owned enterprises were distributed to the workers in the form of shares. The shares were distributed according to the number of people and years of service. [paragraph continues]

Some people even maintained distribution of shares according to relevant posts. As a result, the workers became shareholders. The profits of an enterprise, after paying taxes, were distributed in the form of dividends. Although the method has aroused the "enthusiasm" of the workers, it runs counter to the principle of transfer based on remuneration. The practice, though followed by a small number of localities and enterprises, may produce a great impact. Therefore, the relevant departments should pay due attention to the matter.

As we all know, China's existing collective enterprises, particularly the so-called "large collective" enterprises, except a few of them, are actually enterprises publicly owned by the localities or departments. Over the years, enterprise funds came from the responsible departments of the local government. As a matter of fact, the local government undertook the risks of operation and management, and local finance assumed responsiblity for profits and losses. According to this state of affairs, all funds of an enterprise (including funds first granted in the form of loans and funds accumulated later) are the public property of the local government and do not belong to the enterprise workers. If enterprise property is transferred to enterprise workers gratuitously because an enterprise is switched to collective ownership in name, it would be tantamount to appropriating public property.

Due to the influence of the "leftist" guideline characterized by "a higher degree of public ownership and larger in size," in the course of developing local industry in the past, we upgraded the collective economy of the masses to local public ownership rather than vigorously supported the development of the collective economy of the laboring masses. This practice was absolutely wrong. Such public economy directly operated and managed by local government departments hampered the initiative and enthusiasm of enterprises. In accordance with the requirements of the development of the socialist commodity economy, the existing assets of enterprises should be evaluated in the current reform. In light of the principle based on remuneration, it is necessary to genuinely switch local public ownership to collective economy of the laboring masses or joint stock economy so that an enterprise is truly made an independent economic entity and can become a producer and operator of commodity production. As this reform requires meticulous work related to policies, it should be handled with great care.

Some enterprises were originally production groups or cooperatives formed by the laboring masses with their own funds and production tools. They were later "upgraded" to big collectives and the government departments made investment or assumed responsibility for their profits and losses. Some of these enterprises paid the funds back to the laborers. Those that have not done so should register and check up on the assets and duly make compensations. As most of the laborers who joined the cooperative with their own funds have been transferred elsewhere, the funds of enterprises cannot be distributed to the workers now in service. In view of the fact that the local governments have assumed responsibility for the profits and losses of enterprises for a long time and in light of the method of liquidation of the supply and marketing cooperatives, where conditions permit, the compensation made for the old members of the cooperatives who own the funds should be a bit higher than the bank's fixed deposit interest rate. The rest should be regarded as local public-owned enterprises and then be switched to collective economy of the laboring masses. For example, the existing funds of local public-owned enterprises can be switched to long-term credit funds. With the bank serving as an agent, the funds can be used to support the collective and individual sectors. The principal and interest are to be repaid by enterprises with the profits obtained after tax payments. Where conditions permit, the enterprises can be switched to joint stock economy by means of the masses pooling funds to purchase the enterprises or issuing shares in light of the existing funds of enterprises and then purchasing the enterprises with the funds obtained from selling the shares. [paragraph continues]

With the existing funds of enterprises turned into government shares and some funds mustered by the masses, we can also switch enterprises to joint stock economy. Apart from remuneration, the laborers of the collective and joint stock enterprises have the right to share dividends according to the number of shares or people and to undertake risks. Whichever method is adopted after the reform, government functions must be separated from enterprise management and the government departments or administrative companies must not be allowed to exact management fees from enterprises. If necessary, they may, through legislative procedures, levy income taxes. Besides tax payments, no other charges in any form should be imposed on enterprise profits. Since the ownership has been transferred, the practice of exacting profits after tax payments in the capacity as owners should be resolutely curbed after reform.

Theoretically speaking, ownership belongs to a historical category. It has different connotations in different historical periods. At present, the form of ownership includes ownership of the means of production as well as the way to realize proprietary rights of the means of production. We must start the reform of the ownership system from the following two ways: On the one hand, change the proprietary rights of the means of production; and on the other hand, change the way of realizing the proprietary rights on the premise of keeping the proprietary rights unchanged. For example, when the state enterprises owned and managed directly by the local government are switched to collective ownership by some laboring masses and to independent operation and management by enterprises, both proprietary rights and the way to realize proprietary rights effect a change. However, if enterprises under different ownership systems jointly become an economic entity that practices independent accounting and assumes sole responsibility for its profits and losses, the proprietary rights of the means of production remain unchanged, while the way to realize the proprietary rights effects a radical change. Regarding the local state enterprises that have joined the associations, formerly, the local government owned and directly operated the enterprises and obtained the profits after tax payments or the surplus products. Now it is owned by the local government and is independently operated and managed by the integrated complex. The owners share the profits after tax payments or the surplus products according to the amount of their investment. This shows that the way to realize proprietary rights can be changed by keeping the proprietary rights unchanged. As the question of proprietary rights is the substance of the ownership system, it is extremely difficult to effect a change of the question of proprietary rights. In the experiments conducted at selected points, the stress should be put on changing the way to realize the proprietary rights. If necessary and where conditions permit, proprietary rights can also be changed according to the principle based on remuneration. If we mistake the reform of the way to realize proprietary rights as the reform of proprietary rights, it will lead to negation of the principle based on remuneration. This point should be taken seriously in the reform of the collective economy as well as in the reform of other economic sectors.

OFFICIAL ON ECONOMIC STRUCTURAL REFORM

HK150557 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 32, 11 Aug 86 pp 3-5

[Article by Gao Shangquan, vice minister in charge of the State Commission for Restructuring Economic System: "Several Opinions on Restructuring China's Economic System"]

[Excerpts] 1. Further Develop the Planned Commodity Economy

China's previous economic system was set up early in the First 5-Year Plan. It was mainly based on the Soviet economic pattern and clung to the practice adopted in the liberated areas and some conditions which appeared after the founding of the people's republic. [paragraph continues]

At that time, the system played a positive role and guaranteed the completion of key construction project in the First 5-Year Plan. However, its disadvantages started appearing at the end of the First 5-Year Plan. They were mainly expressed in overcentralization, tight and rigid control over enterprise management, the neglect of the law of value and the commodity economy, and the practice of eating from the same big pot and egalitarianism in distribution. These problems were unveiled in the newspapers of that time. [passage omitted]

It was at the 3d Plenary Session of the 11th CPC Central Committee that we called for devoting major efforts to developing commodity production and exchange. In October 1984, the 3d Plenary Session of the 12th CPC Central Committee adopted the "Decision of the CPC Central Committee on Reform of the Economic Structure," in which the concept of the planned commodity economy was clearly set forth. This was an amazing breakthrough. World public opinion reacted favorably, since it seemed that China had made a development of Marxism on this question. Numerous facts have shown that this theory is absolutely correct.

— The vigorous development of lateral economic ties has begun disrupting the system of separating departmental management from regional management. This is the most important sign of the development of the commodity economy because without lateral economic ties, the commodity economy can hardly develop. The greatest change in our economy in the past year has been the development of lateral economic ties. [passage omitted]

— Various forms of ownership have developed simultaneously. More than 60,000 small state enterprises (mainly commercial enterprises) have been reformed. Some of these enterprises were contracted to the collective and some to individuals. The result is heartening and many enterprises have made up deficits and increase surpluses. The reform of ownership was carried out on the condition that public ownership always held sway. In the total industrial output value of 1985, state enterprises contributed 70.4 percent, collectively-run enterprises 28.1 percent, and individual traders and peddlers 1.5 percent. Meanwhile, in the total volume of retail sales, state enterprises accounted for 42.1 percent, collectively-run enterprises 37.2 percent, individual traders 14.6 percent, and others 6.1 percent. All this shows that public ownership played a leading role.

— Decentralized administration has instilled greater vitality into enterprises (passage omitted).

— The structural reform of circulated has boosted the development of the commodity market. There are now clearly 2,000 trading centres spread throughout the country. However, we must note that our labor and capital markets are still not lively enough.

— Much attention has been paid to the law of value and the role of economic levers. Price controls on many small commodities have been relaxed and some items of means of production are now sold at negotiated prices. Prices have risen somewhat, but practical results are evident. It takes time to come to a correct understanding of the reform of the price system. This is a problem of prime importance. Even if we sort this one thing out, we will still have to sort out all the rest. Any neglect of the problem will lead to inflation. Meanwhile, we have readjusted taxation, interest rates and ways to a certain extent. This has somewhat reinvigorated the national economy.

— The rural reform has got onto the track of the planned commodity economy. The state monopoly for purchase and marketing of farm products has been replaced by the contract system. Specialized households have developed and peasants can now provide more produce for the market.

— Our policy of opening to the outside world has expanded the scale of the commodity economy with other countries. Good progress has been made in the use of foreign capital with the establishment of over 2,300 Chinese-foreign joint ventures, 3,800 cooperative enterprises, and more than 130 enterprises run exclusively with foreign investment. Meanwhile, China has also joined in the world market of labor services.

— Through the development of the commodity economy, the broad masses of the people have appreciated more than ever the correctness of reform. According to a survey made by the "Research Office for Reform of China's Economic Structure" under the State Commission for Restructuring Economic System, we found that 78 percent of our young people are keen to take risks to carry out reform and develop the commodity economy.

All the above facts have proved that the planned commodity economy is absolutely correct in theory and has made breakthroughs in practice. However, people at home and abroad still have some confused ideas and doubt whether China's reform is pursuing socialism or capitalism. In May this year, I went to the United States to attend a meeting of Chinese and American senior scholars. On that occasion, an American professor said that China's economic liberalization will inevitably lead to political liberalization and capitalism. He does not understand our reform and I explained to him that what we are doing is to improve the socialist system. This can be proved by the facts demonstrated in recent years. 1) The reform has resulted in the expansion of production; 2) the reform has enhanced the living standards of the people; 3) the reform has promoted progress of socialism. The total experiences of over 30 years have taught us that the existing economic structure should be reformed, otherwise there will be no way out. Recently, I led an observation group to Hungary and Yugoslavia to look into problems and lessons they have experienced in the course of reform. They candidly answered questions we raised and hoped China's reform would succeed and avoid detours. They held that China's reform is of significance to the world. It will be impossible to compete with capitalism if no effort is made to carry out reform. Reform represents the improvement of the socialist system and does not mean pursuit of capitalism.

2. Strive To Fulfill Targets for the Reform of the Economic Structure in the Seventh 5-Year Plan and the Current Reform Tasks

The main target for China's reform is to lay a good foundation for a dynamic socialist economic structure in the next 5 years or more. What is the "foundation?" This question can only be answered through practice. Now it seems that laying a good foundation means that we must strive to keep the new structure in a predominant position. Concretely speaking, this means: 1) Ownership of enterprises must be separated from their power of operation. We should no longer regard enterprises as appendages of administrative organs and should turn them into independent economic entities having full authority for management and full responsibility for their own profits and losses; 2) efforts must be made to readjust the seriously distorted prices of means of production so that taxation for enterprises will be reasonable and enterprises will by and large be able to compete with each other on equal footing; 3) mandatory planning must be substantially reduced and most materials will be exchanged through trade contracts; 4) the responsibilities of the central and local governments must be appropriately divided in the administrative and financial aspects and the areas of investment for the central and local governments and for enterprises must be clearly defined; 5) the functions of government should be separated from those of enterprises. The functions of government offices should be drastically changed and the reform of government departments should be substantially completed. The structural reform must be linked with that of government departments.

This year's reform must be based on the principle of "consolidation, assimilation, replenishment and improvement." Some people do not have a correct understanding of the principle. They think that all tasks can be easily fulfilled, so why should we not walk at a faster pace? As a matter fact, reform should advance wave upon wave and should not be done at the same pace every year. Last year we took a quickened step in reform of the price and wage systems and this year we have to consolidate what we have achieved in reform and solve some pending problems. It will take time to solve these problems, including the problem of how to instill great vitality into enterprises. At present many enterprises complain about lack of floating capital, too many apportioned charges and heavy taxes. The central government is working to adopt a series of measures to increase floating capital, reduce regulatory taxes and raise depreciation rates.

It must be noted that tasks for this year's reform are still very, very hard. This is because improving and strengthening macroeconomic control is not an easy job. In reform it is difficult to make progress, but it is easy to retreat. Many people say that adopting a reform measure needs great effort, but it can be easily cancelled by an instruction or a document. It will really take a lot of effort to consolidate what has been achieved in reform and to solve pending problems. For example, China lacks experience in exercising control over the scale of credits and the volume of currency issued.

In May this year, the State Council convened the first national meeting for restructuring the urban economy. It specially discussed problems regarding the development of lateral economic ties. With the development of lateral economic ties, a breach has been opened in the old structure, which is marked by numerous barriers existing between different departments or regions. While we are developing the planned commodity economy, we must break through the barriers and smash the bonds of the old structure. To achieve this, it is impossible to issue an order, rather we must depend on lateral cooperation of grass-roots enterprises because this can produce, strike and reflex on a wider scale. Through the development of lateral cooperation of grass-roots enterprises, we can note contradictions and solve them.

This year some important reform measures will be adopted. This means that we will issue several documents on reform of enterprise management such as employment of contract workers in state enterprises, dismissal of undisciplined workers, and providing insurance for job-awaiting workers of bankrupt enterprises. All these are major reform measures with regard to the labor system. We must make adequate preparations for introduction of these measures. [passage omitted]

3. Make the New Structure Play a Leading Role

The co-existence between the new and old structure, the replacement of the old structure by the new, and the transit from the old structure to the new are regarded as the most conspicuous characteristics in the current reform of the economic structure. At present, two operational mechanisms, two price systems, two managerial forms, and two organizational structures co-exist. [passage omitted]

In developing the commodity economy, it is hard to avoid spontaneity and blindness. How should we reduce blindness through planning and administrative measures? The methods that we have adopted are still not perfect. At present the government exercises indirect control through pricing, taxation, offering subsidies, and financial measures. However, China still does not have adequate experience in exercising effective macrocontrol and making rational use of micro-mechanisms.

What are the prospects for the transformation of the old structure into the new? First we must realize the necessity of their co-existence and the difficulty and complexity of transforming the old structure into the new, then we must see the bright prospects. We must make efforts to fully exploit the leading role of the new structure in economic operation. The world places great hopes in China's reform, because reform has become a trend in socialist countries. China's economy is particularly prominent in the world because it is in a developmental stage, China's market is wide, because Chinese leaders are firm in reform.

PROMOTION OF PROFITS FOR FOREIGN INVESTORS URGED

OW141200 Beijing XINHUA in English 1153 GMT 14 Aug 86

[Text] Beijing, August 14 (XINHUA) -- The State Council, China's highest governing body, has called for work to help foreign investors to produce at relatively low cost so that their products will be competitive on the world market.

This was disclosed in a front-page commentary in today's edition of the newspaper, INTERNATIONAL BUSINESS, which operates under the Ministry of Foreign Economic Relations and Trade.

Accompanying the commentary, "Create Conditions To Help Foreign Investors Make Profits" are news reports about Dalian's cutting back on labor and other fees for enterprises using foreign capital, and Shanghai's simplifying procedures for approving such enterprises.

"China's greatest advantage in attracting foreign investment lies in low fees for investors," it said. "And this will become a disadvantage if the fees charged are as high as in other countries."

"It is China's hope that enterprises using foreign capital will export more of their products," it said. "And we need to create the conditions necessary for achieving this purpose."

The paper criticized those units which bleed such enterprises whenever it is possible, thus causing their costs to rise. "That being the case, who will invest in China?" it asked.

The paper attributed this state of affairs to what is called "small production mentalilty", which stresses immediate interests without looking into the overall situation of the nation's economic construction.

LOCALITIES URGED TO STOP BUILDING OUTSIDE PLAN

OW220116 Beijing XINHUA in English 0103 GMT 22 Aug 86

[Text] Beijing, August 22 (XINHUA) -- Local investment in capital construction is expanding, despite the central government's call to retrench investment outside the state plan, economists here point out.

The latest statistics released by the State Statistics Bureau show that the capital construction investment outside the state plan in the first seven months amounted to 4.4 billion yuan.

This breaks down to 3.38 billion yuan in the first six months, accounting for 10 percent of the total investment in the same period, and one billion yuan last month. Such a tendency is continuing.

The economists urged localities to exert more efforts to halt and postpone unauthorized building schemes to ensure the smooth-sailing of the reform and stabilize the national economy.

Early this year, the state stipulated that all capital construction investments must be brought into line with the state plan except primary and middle schools. Contruction of schools in the first seven months cost only 600 million yuan, the economists said.

Departments of planning, statistics and audit, and banks are urged to strengthen examination and supervision, and impose sanctions on those who violate the state's stipulations, if necessary.

ECONOMIC DEVELOPMENT IN POOR AREAS PROGRESSES

OW171058 Beijing XINHUA Domestic Service in Chinese 1400 GMT 14 Aug 86

[By reporters Wang Yunfeng, Wang Manchang, and Liu Jun]

[Excerpts] Yinchuan, 14 Aug (XINHUA) — The first national academic seminar on poor areas' economic and cultural development was recently held in Guyuan County of Ningxia Hui Autonomous Region and Dingxi County of Gansu Province. Some 250 delegates from the central authorities and China's 14 provinces (regions) brought data on the current situation of the 14 impoverished areas. The information shows that China's poor counties have been reduced by 15 percent, and the population falling under the poverty category (per capita income under 150 yuan and per capita grain consumption under 400 jin) has been reduced by 17 percent, or from 70 million to 60 million.

The delegates maintained that China's work to help the poor has entered a new phase of enhancing internal economic vitality.

— The guiding ideology of helping the poor has undergone a fundamental change. [passage omitted] In recent years, on the basis of reviewing past experiences and lessons, both the central and the local authorities have moved from merely providing relief to the poor areas to enhancing the internal economic vitality of and supporting the development of commodity production by altering the ecological and production conditions. Except for a small portion of relief funds used to help calamity and disaster victims, most of the funds have gone to production investment and to acquire personnel and technology.

— Readjusting the production structure in the poor areas has achieved initial success. [passage omitted]

Currently, China's 14 poor areas have basically completed the comprehensive survey of agricultural and natural resources and the work of agricultural zoning. The Taihangshan mountainous area in Hebei Province, with help from the Hebei Agricultural College and other academic and scientific research units, have rationally exploited and utilized its long untouched resources. Peasants' income thus increased four times in 4 years; per capita income in 200 experimental localities reached more than 400 yuan, exceeding the national average.

NATIONWIDE POWER GRID PLANNED BY EARLY 1990's

OW151142 Beijing XINHUA in English 1123 GMT 15 Aug 86

[Text] Beijing, August 15 (XINHUA) — China will have a nation-wide integrated power grid with an installed generating capacity of more than 120,000 megawatts by the early 1990's, which will be one of the largest nation-wide power grids in the world, two Chinese specialists said here today.

In their paper to an international symposium on the automatic control of power systems and of power plants, He Dayu and Fu Shuti, senior engineers of the Electric Power Research Institute under the Chinese Ministry of Water Resources and Electric Power, stated: "To ensure a safety and economical operation of such a large integrated power system, it is necessary to modernize the country's present automatic dispatching system of power grids and of power plants."

According to them, China has established 25 large, medium-sized and small dispatching centers. The north China, east China and northeast China major power grids have realized security monitoring.

But, apart from the 25 power grid dispatching system which have been modernized to varying degrees, most of the control centers in China have to rely on the telephone and limited information from the dynamic mapboard to operate their systems.

"All these control centers should be modernized, and the sooner the better. Priority should be given to the country's seven major power grids -- the northeast China, north China, east China, central China, northwest China, and south China grids," they noted.

The serving areas of most of the seven grids are China's economically developed areas which are short of power supply at present, they added.

The country's basic automation of the power systems and plants is backward and the basic equiipment is poor in quality, they pointed out, adding that the technical skill of the operating crew of the power systems and plants needs to be improved.

The automation of the power systems and plants may help improve the economic performance of their operations, they stressed. If automation of dispatching and control is introduced to all the country's thermal power plants, China would be able to save an quivalent of 1.5 million tons of coal a year and reduce the economic losses caused by accidents.

They suggested that from now on, all the newly built power plants should have automatic control, and active efforts should be made to improve and upgrade the existing basic equipment in addition to concrete measures for more training of power systems and plants staff.

The technical upgrading of the country's power systems and plants has been an important part of China's program to improve economic performance by transforming the existing enterprises.

The automation of the power grid and plant dispatching and control has been listed as a key project in the development of the country's electronics industry.

AMNESTY PERIOD ENDS; LAWBREAKERS SURRENDER

OW201120 Beijing XINHUA in English 1109 GMT 20 Aug 86

[Text] Beijing, August 20 (XINHUA) — Several thousand lawbreakers had surrendered to the police here by today, the last day of a two-month amnesty period.

The statistical work is yet to be completed, a spokesman for the Beijing Municipal Public Security Bureau told XINHUA, adding that most are theft cases.

The bureau annunced leniency for self-confessed criminals who surrendered within the period in an effort to check a rising crime rate earlier this year, which the spokesman attributed to increased mobility of population and property.

Some 300 criminals who gave themselves up in the amnesty period have already had their cases dealt with and been given lenient treatment according to law, the spokesman said.

As a result, the city's reported criminal cases in June dropped by 6.4 percent from the number in May and the cases in July again dropped 20.2 percent compared with June, according to the official.

Similar actions have also been taken in Shanghai and Tianjin, as well as in six provinces and autonomous regions, resulting in more than 62,000 confessions, according to earlier report.

China now has a crime rate of 0.053 percent of population, he said; theft cases account for about 70 to 80 percent of the total reported.

JINGJI RIBAO REASSURES FOREIGN INVESTORS

HK200853 Beijing JINGJI RIBAO in Chinese 13 Aug 86 p 1

[Editorial: "We Urge Foreign Entrepreneurs To Feel Relieved and Invest"]

[Text] At present, some foreign entrepreneurs and financiers bear a certain worry about investing in our country and fear that the current stipulations of encouraging investment in China in terms of taxation and law will change. This kind of worry is unnecessary. Our country's general policy of opening up the outside world as well as the policy of encouraging foreign investment will not change. Of course, just like the law in any country, the Chinese foreign-related law on taxation also needs a process of revision, supplement, and constant improvement. Nevertheless, this revision and supplement will only further facilitate the absorption of foreign investment, the introduction of technology, and the profit-making undertakings invested by foreign entrepreneurs and financiers in our country. This is beyond any doubt.

The current foreign-related law of taxation in our country embodies the national economic policy of opening up to outside world and fully implements the principles of safeguarding the national rights and interests, imposing light taxes, adopting really preferential policies, and simplifying procedures. Of the current over 20 taxes in the whole country, only 5 or 6 are applicable to foreign-related taxation, including enterprise income tax and industrial and commercial consolidated tax. Since 1980, the state has promulgated three foreign-related tax laws in succession. According to these relevant laws and regulations, the tax rates imposed on foreign investors for their direct investment in enterprises in our country are not high. The income tax rate for enterprises jointly owned and run by China and foreign businessmen is 30 percent, or 33 percent if the local income tax is also included. However the income tax on foreign enterprises is assessed at a 5-level progressive rate for the parts in excess of a specific amount of taxable income, ranging from 20 to 40 percent. In addition, a local income tax of 10 percent of the same taxable income is levied. Therefore, foreign investors enjoy not only lower tax rates than those for domestic enterprises, but also many tax reductions and tax-free preferential treatments. Our country has also adopted measures like reducing or exempting enterprise income tax at regular intervals, allowing expediting depreciation, and so on, to encourage foreign businessmen to invest in China. Newly established joint ventures; low-profit joint ventures engaging in agriculture, forestry, animal husbandry, and deep-well extraction of minerals like coal, and so on; and enterprises solely owned by foreign businessmen are all entitled to the preferential treatment of reducing or exempting their income taxes within a given period of time. As for foreign organizations that have no establishments in China but provide our country with capital or technology, a 20 percent income tax is levied on the income obtained by them from dividends, interest, and royalties. Being the final tax, it is withheld by the paying unit in advance of payment. In order to encourage foreign companies, enterprises, and other economic organizations to provide our country with new technology and techniques as well as advanced scientific and technological achievements, preferential treatment is also given to the income from technical know-how. Income from loans extended to the state banks in our country by foreign banks at a daily interest rate normal among international banks should be exempted from income tax.

Our country has not only implemented the principle of imposing light tax on enterprises owned by foreign businessmen and giving them really preferential treatment in taxation but also correspondingly enacted many regulations concerning tax reduction and exemption for foreign investments in special economic zones and regions opening up to the outside world. The number of these preferential treatments and the scope they cover are all unprecedented.

In our country, the Constitution says that the legal rights and interests of investors should be protected by law. Trust is the basis for cooperation, and law is the guarantee for cooperation. Foreign entrepreneurs should feel relieved and boldly make investments and establish enterprises in China.

OFFICIAL ON FREEDOM OF RELIGIOUS BELIEF

OW211364 Beijing XINHUA in English 1339 GMT 21 Aug 86

[Text] Beijing, August 21 (XINHUA) -- Freedom of religious belief is a long-lasting and fundamental policy of the Chinese Communist Party and government, and a democratic right the Chinese people enjoy, Jiang Ping, advisor to the United Front Work Department of the Chinese Communist Party Central Committee, said here today.

Jiang was speaking at a tea party held by his department and the Religious Affairs Bureau under the State Council for the convening of the Fourth National Christian Conference, which opened last Saturday.

Jiang noted that one of the important aspects of the political system reform, which is on the agenda, is to further improve socialist democracy.

"Therefore, we must unswervingly carry out this policy, and respect and protect the democratic right of the people. Any practice which runs against this policy must be corrected." Jiang stressed.

He asked religious affairs departments of the government at various levels to respect the rights of the "three-self" (self-administering, self-supporting and self-propagating) patriotic committees and the church, and help them carry out their religious affairs within the limits permitted by law.

Bishop Ding Guangxun, chairman of the "Three-Self" Patriotic Committee of the Protestant Churches in China, said that Christianity has developed quickly in China over the past few years.

There are more Christians in the country than ever, and the church itself is more united than ever, he noted.

He said that Chinese Christians will continue to contribute to the country's socialist modernization program.

China has three million Christians and 6,000 clergymen, according to earlier reports.

More than 200 delegates to the Christian conference attended the tea party.

ZHOU YANG 'HUMANITARIANISM' ARTICLE REASSESSED

HK201144 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1250 GMT 18 Aug 86

[Report: "A Shanghai Paper Makes a Reassessment of Zhou Yang's Theses on 'Alienation' and Humanitarianism"]

[Text] Shanghai, 18 Aug (ZHONGGUO XINWEN SHE) -- Zhou Yang's article entitled "An Exploration on Several Marxist Theoretical Problems," which was reproached 2 years ago, has been reassessed here today.

Shanghai's WEN HUI BAO published on its second page today Gu Xiang's article entitled "Voice of the Contemporary Intellectuals -- Zhou Yang's Recent Works." The article says: "Zhou Yang's special report 'An Exploration on Several Marxist Theoretical Problems' he made at an academic symposium in 1983 in celebration of the centenary of the death of Marx is a theoretical article which criticizes the 'leftist' ideological and political line over the last 30 years. It also provides theoretical bases for reforms in various trades and undertakings in the urban and rural areas. It is a creative Marxist article."

The article says: "An equal attitude toward the writer and well-meaning discussions and criticism on his viewpoints are acceptable to him. Even though the writer's viewpoints are not mature, this should not affect the value of his article."

The article maintains that differences of opinion on the above problems are normal but the Zhou Yang should not have been reproached because of the difference between his proposition (Marxist humanitarianism) and Mao Zedong's proposition (revolutionary humanitarianism). "Of course, nor is there any reason to criticize others' proposition of Marxist humanitarianism or proletarian humanitarianism as 'heresy.'"

In the last part of the article, Gu Xiang reveals his recent meeting with Zhou Yang by saying: "Before writing this article, I once again visited Comrade Zhou Yang in hospital. He was very thin and wore a dull expression. Before his sickbed, we had nothing to say." Gu Xiang says in his article: "Seeing Comrade Zhou Yang tortured by a lingering sickness, I could not help feeling grieved and indignant." Zhou Yang "is once again suffering spiritual and physical torture in his pursuit of truth."

PROPAGANDA DEPARTMENT ON AUTHORITY, PRESS

OW211628 Beijing XINHUA in English 1526 GMT 21 Aug 86

["Press Should Have Right To Decide What To Be Published" -- XINHUA headline]

[Text] Beijing, August 21 (XINHUA) -- A senior Communist Party Official has urged more authority for the press to decide what to publish.

Teng Teng, deputy head of the Propaganda Department of the Chinese Communist Party Central Committee, said at a recent meeting that party committees at various levels should improve their leadership and give newspaper offices a free hand in news reform.

He was speaking at a seven-day national conference in Harbin, capital of Heilongjiang Province, which closed August 15 and was attended by editors-in-chief of provincial newspapers.

Teng said, influenced by the old ideas and modes, some party committees and leaders even monopolize the newspapers.

A number of newspapers have taken one-sided approaches to their function of being the mouthpiece and guide of the party, and fill up their pages with stories of meetings. As a result, their newspaper are not attractive.

Participants at the conference agreed with the need to create a lenient and harmonious atmosphere to encourage people to regard newspapers as good teachers and helpful friends of the masses.

WAN LI'S SPEECH AT MINORITY SPORTS GAMES

OW102117 Beijing XINHUA Domestic Service in Chinese 0624 GMT 10 Aug 86

[Text] Urumqi, 10 Aug (XINHUA) -- The following is the text of the speech delivered by Wan Li, member of the Political Bureal of the CPC Central Committee, vice premier, and chairman of the Presidium of the Third National Minority Traditional Sports Games, at the opening ceremony of the games.

Comrades:

The Third National Minority Nationality Traditional Sports games ceremoniously opened today. It is another magnificent sports meet as well as a grand gathering of national unity. On behalf of the CPC Central Committee and the State Council, I extend warm congratulations to the games and cordial greetings to the athletes, coaches, and delegates of various nationalitites and to all other comrades here today"

Comrades, traditional sports are the precious cultural heritage of Chinese minority nationalities and party of China's sports cause. Promoting these sports is the wish of the people of all nationalities. Numerous competitive events will be held among the minority athletes, and colorful traditional sports will be demonstrated at the games. This signifies the development of minority nationalities' sports. The CPC Central Committee and the State Council are extremely pleased to see such a development. We hope that all regions and departments concerned will attach importance to the traditional nationality sports and actively promote their development so as to better the people's physique, inspire their spirit, and contribute to the building of the socialist material and spiritual civilization in the nationality regions.

Comrades, during the sports meet comrades of all nationalities from all parts of the country will joyfully get together with the people of various nationalities in Xinjiang. The gathering vividly reflects the great unity among our various nationalities and provides good opportunities for the athletes and people of different nationalities to learn from each other. Great national unity guarantees the success of our cause and constitutes a prerequisite for reform and China's revitalization. We hope that everyone will work hard to make this sports meet a grand gathering of great national unity and to make new contributions to national unity, to the economic, cultural, and educational development in the minority regions, and to the improvement of the Chinese people's standards, and to the socialist modernization of our great motherland. I wish the games complete success!

WAN LI PARTICIPATES IN MINORITY SPORTS GALA

OW51112 Beijing XINHUA in English 1046 GMT 15 Aug 86

[Text] Urumqi, August 15 (XINHUA) -- Wan Li, vice premier of the Chinese State Council, took part in a gala get-together at the Third Chinese National Minority Nationality Traditional Sports Games here today. 3,000-plus minority delegates and athletes had a day off from competition to gather in Nanshan, a grazing land 60 kilometers away from here on the north slopes of the Tianshan Mountains. Wan Li joined the minority athletes in a Xinjiang Uygur-Style dance after the artists of the Xinjiang Uygur Autonomous Region's song and dance ensemble and athletes of some 20 ethnic minorities brought out their best performance. The vice-premier participated in the opening ceremony and watched some of the competitions of the current national ethnic minorities sports games which feature seven events and 115 exhibition events.

WAN LI MEETS ATHLETES TO SEOUL ASIAN GAMES

OW221024 Beijing XINHUA in English 0807 GMT 22 Aug 86

[Text] Beijing, August 22 (XINHUA) -- Chinese Vice-Premier Wan Li met here this afternoon with athletes, coaches and referees to the Tenth Asiad that will open on September 20 through October 5 in Seoul, and the Chinese team to the Tenth World Women Volleyball Championship scheduled to run from September 2 to 13 in Prague.

He encouraged Chinese athletes to display sportsmanship and win more gold medals for China at the Seoul games.

"I hope I'll take pictures with you when you return from Seoul with gold medals," he said in a jocular manner.

Present on the occasion were Xi Zhongxun, honorary president of the Chinese Badminton Association; Yang Shangkun, honorary president of the Chinese Table Tennis Association; Song Renqiong, honorary president of the Chinese Volleyball Association; and Yu Qiuli, honorary president of the Chinese Basketball Association.

Li Menghua, minister in charge of the Chinese Physical Culture and Sports Commission, and Yuan Weimin, leader of the Chinese Sports Delegation to the Tenth Asiad, were also on hand.

STATE COUNCIL CONGRATULATES DAQING COMPLEX

HK111340 Beijing RENMIN RIBAO in Chinese 5 Aug 86 p 1

[Report: "State Council Sends Message Greeting Inauguration of the First-Phase Ethylene Project of the Daqing Petrochemical Complex"]

[Text] To the Daqing city people's government, Daqing petrochemical complex, headquarters of the Daqing ethylene project, and engineers, workers, cadres, and comrades who took part in the 300,000-ton ethylene project and light hydrocarbon collection project, care of the Heilongjiang provincial people's government and the China National Petrochemical Corporation:

The Daqing 300,000-ton ethelene project is one of China's primary projects and China's first large petrochemical complex which relies on light hydrocarbon from oilfields as its main raw materials. The completion and inauguration of the first-phase work of the Daqing ethelene project symbolizes a new success in China's modernization program. The completion of this project is significant in terms of expediting China's pace of petrochemical development, providing high quality synthetic materials for the national economy, and meeting demands concerning the people's livelihood, both urban and rural.

With the support of the people throughout China, the localities concerned, and departments concerned, workers of the Daqing 300,000-ton ethylene project have carried foward the Daqing spirit and integrared a high level of revolutionary spirit with their strict and scientific attitude. Fearing no harsh weather, they overcame difficulties and problems, and by meticulous organization and work, they have successfully fulfilled the task of construction, ensuring that the first-phase work was completed on time. [paragraph continues]

The State Council expresses warm congratulations and sincere appreciation to the project's staff of engineers, workers, and cadres! It expresses heartfelt thanks to the foreign specialists and friends who took part in the work.

Following the inauguration of the first-phase work of the Daqing 300,000-ton ethylene project, the work of the second phase has been started. The work in the future will be more arduous. The State Council hopes that you will guard against arrogance and rashness, work hard, and continue to make innovations. On the good foundation of the first-phase work, it is hoped that you will make persistent efforts and do well in the second-phase work by upholding high standards, strict demands, high quality, and high efficiency, so as to make new and greater contributions to China's socialist modernizations.

[Signed] The PRC State Council 3 August 1986

QIAO SHI INSPECTS FLOOD IN HEILONGJIANG

SK220504 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 21 Aug 86

[Text] On behalf of the party Central Committee and the State Council, Qiao Shi, member of the Political Bureau of the CPC Central Committee, member of the Secretariat of the CPC Central Committee, and vice premier of the State Council, came to Heilongjiang Province on 21 August to extend his sincere solicitude to the vast number of cadres, the masses, PLA men, and the commanders and fighters of the armed police forces who are bravely combating floods and conducting rescue work in the province. After arriving in Harbin on the afternoon of 21 August, Vice Premier Qiao Shi inspected the flood situation of the Songhua Jiang and some dangerous and weak spoots on the dam along the Harbin section of the Songhua Jiang, in the company of Sun Weiben, Hou Jie, Zhou Wenhua, Bai Jingfu, Huang Feng, Gong Benyan, and other party and government leaders of the province and Harbin City.

Vice Premier Qiao Shi said: This year Heilongjiang Province has been hit by catastropohic floods, and the soldiers and people throughout the province are fighting the floods. Several tens of thousands of soldiers and civilians are standing fast on the embankments to safeguard them. I hope that they will heighten their vigilance and work ceaselessly and unremittingly in order to ensure that no danger will come to Harbin. All localities in the province should strive to win victory in antiflood and rescue work. He also said: At present we should focus our efforts on adopting some measures to reinforce dams. Meanwhile, we should pay attention to effecting permanent control over rivers. From now on, we should combine dike construction with urban construction.

EARTHQUAKE HITS 'SPARSELY POPULATED' AREA

OW211202 Beijing XINHUA in English 1153 GMT 21 Aug 86

[Text] Beijing, August 22 (XINHUA) -- An earthquake, measured at 6.7 magnitude on the richter scale, was monitored this morning in the Tanggula Range linking Qinghai Province and the Tibet Autonomous Region, the State Seismological Bureau announced. It was detected by China's earthquake monitoring network at 0623 Beijing summer time, its position being 33.9 degrees north latitude and 90.7 degrees east longitude. The area is sparsely populated, and so far, no damage to life or property has been reported. The State Seismological Bureau and provincial and regional governments are closely watching the development of the earthquake, according to a bureau official.

PLA TO REFORM TITLES FOR TECHNICAL PERSONNEL

HK190251 Beijing RENMIN RIBAO in Chinese 18 Aug 86 p 4

[Report: "China's Army To Reform Assessment of Position Titles"]

[Text] According to a decision of the Central Military Commission, the PLA will reform the assessment of position titles and appointment system for technical personnel. The all-army work conference on reforming position titles ended in Beijing on 16 August, and made some arrangements for the coming reform in this respect.

Adopting the appointment system for technical personnel is a major task for reform of the cadre management system of the PLA. It is reported that technical positions will be set up in light of actual needs, with definite obligations and necessary conditions for performance of these obligations. These positions are not lifetime and general positions. They are only recognized by the units which invite or appoint such personnel. When one is transferred to another unit, one's position may be changed in light of his personal situation and the needs of his work. In practicing the job assignement system for technical personnel, it is necessary to set a quota for the general establishment of each unit in light of the needs of work and to set a rational ratio between various technical positions at various levels. Based on this and approved by the assessment committee, qualified technical personnel will be appointed by senior army and political officers. In practicing the job appointment system, some technical personnel may not be able to remain at their original units due to the set quotas. It is necessary to encourage them to work in other units where they are more needed, so that their specialities and roles may be brought into full play and the rational floating of personnel may be promoted.

Since last May, 43 units in the higher technological institutions, the scientific research units, and public health units have been selected to experiment with the reform. The situation regarding the experimental points shows that this system is conducive to overcoming the defects of the current technical cadres' management system and effectively implementing the system of personal responsibility for cadres.

This year, the work of reforming position titles will be carried out and the job appointment system for technical personnel will be implemented only in technological institutions, scientific research units, and public health units.

PARTY CIRCULAR ON LESSON OF SHANGHAI BRIBERY

OW170105 Beijing XINHUA in English 0032 GMT 17 Aug 86

["Party Circular Calls on Members To Draw Lessons From Bribery Case" -- XINHUA headline]

[Text] Beijing, August 17 (XINHUA) -- The Chinese Communist Party Discipline Inspection Commission issued a circular recently, calling on all party members to draw lessons from the 30,000-yuan bribery case in Shanghai.

The circular says that all party members should work selflessly for the public interest and abide by party discipline and the state law, and they should, at all times, guard against greed, eschewing personal gain and privilege.

Yu Tiemin, former deputy director of the general office of the Shanghai Municipal Communist Party Committee, was expelled from the party and given a life prison sentence for accepting more than 30,000 yuan (8,100 U.S. dollars) in bribes.

The circular calls Yu a typical example of a Communist Party member seeking personal gain by abusing his powers. He received bribes and exerted pressure to force a foreign trade corporation to buy overpriced steel billets from a Hong Kong businessman. He also helped four people receive unauthorized exit visas in exchange for a bribe of 2,100 yuan.

Decadent capitalist ideas, the circular explains, corroded his soul and put him into the trap of money, making him extremely money-conscious and keen to seek personal gain.

Yu is not the sole example, the circular says. Facts over the past few years show that some other party members and cadres have lost their bearings on the issue of "power and money".

All party members, especially those holding leading posts, should remember that the "power" in their hands should be wielded in the service of the people and at no time should they make it a tool for seeking their personal interests, the circular says.

It notes that the open policy has raised a new subject of study and posed a new test for party members on how to consciously guard against corrosion by decadent capitalist ideas and how to maintain their color as communists. The overwhelming majority of party members and cadres have stood the test, except for a few who have fallen victims to money and material temptations, the circular says.

Yu's case also shows the necessity for the party to persist in the principle of exercising strict control and supervision over party members, the circular stresses.

It says that Yu participated little in party organizational activities and political study, totally losing his sense of observing party discipline and the law. On the other hand, his criminal activities did not arouse enough attention from the leading party organs, but instead, he was trusted and promoted.

All party organizations should know that to neglect supervision of party members is a grave act of dereliction and bureaucracy, the circular says. Some of the unhealthy tendencies and corruption within the party are closely associated with the phenomenon of party organizations neglecting supervision of their members.

The circular says that every party member should consciously put himself under the supervision and control of his party organization and no members should be allowed to defy party discipline or the law.

The circular urges all party organizations and party members to carry out criticism and self-criticism to nip mistakes in the bud. Once cases in violation of party discipline or the law are found, the party should persist in principle and seriously deal with them, without the slighest laxity, it urges.

LIAOWANG COMMENTATOR ATTACKS BUREAUCRATISM

HK150922 Beijing LIAOWANG in Chinese No 31, 4 Aug 86 p 4

[Commentator's Article: "Oppose Bureaucratism and Raise Work Efficiency"]

[Text] The economic reforms and socialist modernization call for a high degree of democracy, a complete legal system, and a highly effective socialist political structure. To achieve great efficiency, we must oppose bureaucratism.

Bureaucratism is a kind of political dust or dirt. It interferes with the flexible operation of our work organs, hampers the smooth progress of modernization, and suppresses the activism and creativity of the masses. Where there is bureaucratism in party and government organs and enterprises and institutions, work is inevitably marked by lethargy and lack of vitality and reform definitely stagnates. What is worse, there is a serious kind of bureaucratism, or what is called "killer bureaucratism." It is often the "twin" of "dereliction of duty." As such, it has developed to where it is injuring the interests of the state and the people. It must be checked by the enforcement of the law.

The main manifestations of bureaucratism generally boil down to the following: 1) Lording it over everyone and being divorced from reality; 2) showing no concern for the masses' woes; 3) vast, overstaffed organs; 4) the practice of passing documents from department to department, shifting responsibility onto others, and arguing back and forth; 5) indulging in exaggeration without getting any practical work done; 6) going in for ostentation and extravagance and assuming great airs; 7) ossified thinking and sticking to convention; 8) behaving in an arrogant and domineering official manner; 9) deceiving the upper levels and bullying the lower levels, and suppressing democracy; 10) perverting justice for bribes and engaging in malpractices for selfish ends.

Given all these defects, how can we talk about work efficiency, serving the people, and being repsonsible to the people! Of course, these manifestations by no means exist in every cadre and in every unit. But they are really a universal phenomenon in our political life. They have also produced an unhealthy effect among the masses in our country and in exchanges with the outside world. It cannot be treated lightly.

Bureaucratism is not inherent in socialist society. Our party and government have hitherto opposed bureaucratism. As early as in the period of the War of Resistance Against Japanese Aggression, the CPC Central Committee put forth the policy of streamlining administration, with such set goals as simplified administration, unity, efficiency, the practice of economy, and opposing bureaucratism. At the start of the First 5-year Plan, the CPC Central Committee issued directives calling for fighting bureaucratism, commandism, and defiance of law and discipline. In 1981, with the start of the Sixth 5-year Plan, the CPC Central Committee and the State Council once again put forth strategic policies calling for reforming organs, overcoming bureaucratism, and raising work efficiency. After the success of the October Revolution, Lenin cried many times; We must cure and purge bureaucratism 10 and even 100 times. He also concisely pointed out: If there is anything that can destroy us, it is bureaucratism.

Then where does bureaucratism come from? Fundamentally speaking, it is a phenomenon inherent in feudal society and capitalist society. Marx and Lenin clearly pointed out that the vast bourgeois bureaucratic organs, the standing army, and the state apparatus arising in the period after the collapse of feudal despotism are the very "parasitic organisms" breeding in the body of bourgeois society, blocking the pores of its life. Of course, our cadres have not emerged from a void. They have been influenced by the thinking of the old society. Some have been affected by bad bureaucratic habits. This is also a cause of bureaucratism. In addition, China has long practiced a highly centralized management system. This, combined with such factors as overstaffed and duplicate organs in party and government departments, enterprises, undertakings, and units; the lack of perfected administrative and economic rules and regulations and of perfected management systems; the lack of sufficiently explicit jurisdiction in duties and responsibilities; and so on have also had much to do with the development of bureaucratism.

Therefore, in opposing and eliminating bureaucratism, we must conduct education, get rid of the influence of the thinking of the old society, and change the ideological style of working personnel. Meanwhile, we must take effective measures to ensure the elimination of bureaucratism where the system is concerned.

Bureaucratism is a long-standing complicated historical phenomenon. Fighting bureaucratism calls for persevering in a large amount of work over a long period of time. Since the Chinese poeple have proved themselves capable of enduring several decades of hard struggle, removing the three big mountains weighing on them, and creating a new China, they can surely gradually cure the obdurate disease of bureaucratism left over from the old society, eliminate the corrosive influence, and bring into being the high level of socialist efficiency when fighting with the same will.

RUAN CHONGWU SPEAKS AT SOCIAL SECURITY MEETING

OW201358 Beijing XINHUA in English 1350 GMT 20 Aug 86

[Text] Beijing, August 20 (XINHUA) -- Public security departments and social insurance businesses should cooperate with each other in the work of disaster prevention and relief, according to a proposal by a group of legal experts, insurance and public security officials.

At a meeting to discuss the relations between public security and social insurance business held recently, Ruan Chongwu, minister of public security, said the problem of social security concerns the whole of society. It needs cooperation from other departments concerned.

Security departments use legal measures to deal with crime to protect the interests of the people, while insurance departments provide the people with economic security.

These two departments should closely cooperate each other, Ruan said.

Participants at the meeting urged closer cooperation in disaster prevention and relief, accident investigation, assessment of losses in accidents and disasters and insurance legislation.

HONG KONG LOANS FOR MAINLAND INVESTMENT INCREASE

HK150714 Beijing XINHUA Hong Kong Service in Chinese 0759 GMT 14 Aug 86

[Report: "Sharp Increase in Hong Kong Bank Loans to Businessman Investing Money in Mainland"]

[Text] Hong Kong, 14 Aug (XINHUA) -- According to Hong Kong Government statistics, by the end of June this year, Hong Kong accumulated bank loans to businessmen for use on the mainland had reached HK$11.06 billion, 1.542 billion more than those at the end of march and an increase of 16.2 percent. If compared with the end of June last year, the rate of increase was 333.68 percent.

The increase by a big margin in Hong Kong bank loans to businessmen for use on the mainland began in September last year. The fact that these loans are mainly used for investment on the mainland reflects the increased interest of Hong Kong and foreign businessmen in various kinds of mainland investment.

Of the Hong Kong bank loans used in the mainland, foreign currency accounts for 88.1 percent and Hong Kong currency account for less than 12 percent. This indicates that the investors need foreign currency to buy advanced equipment, technology, and designs to be invested on the mainland.

CENTRAL BANK OFFICIAL SPEAKS ON MONETARY REFORM

OW141723 Beijing XINHUA in English 1539 GMT 14 Aug 86

[Text] Changchun, August 14 (XINHUA) -- China will establish a rational interest system and a variety of monetary organizations, open monetary markets and strengthen exchange control in the next two years.

These are the tasks for monetary reforms outlined by Liu Hongru, vice-governor of the People's Bank of China, now the Central Bank. He told more than 250 experts, scholars and bankers attending the second annual meeting of the China monetary society here today that China's present economic reforms call for speedy changes in the monetary system, which is becoming the most important means to regulate and control the overall development of the economy as it is developing toward a money and credit economy.

-- To establish an effective, flexible and multi-tiered monetary control and regulatory system to stimulate the raising and use of social funds and keep a basic balance between total social supply and demand, and keep the currency value basically stable;

-- To establish a credit system with bank credit as the principal form, supplemented by multiple forms of credit facilities through multiple channels in order to stimulate the horizontal flow of funds and form a monetary center and monetary market suited to Chinese conditions;

-- To establish a socialist monetary system under the leadership of the central bank and with other banks as the main body supplemented by other monetary organizations, and to strengthen the functions of the central bank and make monetary organizations independent enterprises;

-- To establish a modern management system to streamline the management of all monetary organizations so that they will be well informed and economically efficient, and better able to provide good services for economic development.

In carrying out the reforms, the bank executive said it is important to change the credit planning and money management systems, and exercise control according to administrative levels and, through the flexible use of reserves against deposits, reissuance of loans and other regulatory means, make the central bank more flexible and effective in exercising control.

Monetary markets will be opened up step by step, he stressed. At present, efforts will be concentrated on setting up bank loan markets, commercial bill markets and short-term security markets, with emphasis on directing the present fund-raising activities onto the orbit of issuing stocks and securities.

In the next two years, he said, China will try out the circulation and transfer of securities. The annual meeting of the monetary society began August 11 and will end August 16.

ECONOMIC COORDINATION NETWORKS ESTABLISHED

OW201937 Beijing XINHUA Domestic Service in Chinese 1144 GMT 18 Aug 86

[Text] Beijing, 18 August (XINHUA) -- According to the State Economic Commission's statistics, 23 economic coordination networks, bridging different provinces and municipalities, have thus far been established in our country as a result of the efforts made to enhance lateral economic associations and ties. This indicates that economic coordination networks with cities as their centers are taking shape in our country. The cities that function as economic, banking, cultural, science and technology, and information centers are exerting more and more influence, showing increasing attraction, and playing an ever-growing role in promoting economic reform and in developing production.

The 23 economic coordination networks that have emerged in the course of promoting lateral economic associations have three characteristics. One, they were formed on the basis of objective economic relations and mutual needs and according to the principle of voluntariness, equality, and mutual benefit. Too, their regional ties are generally not rigid and are of an open type. Three, they all have an organization to take care of their work, such as a joint meeting or a coordination meeting held periodically to discuss questions concerning regional associations and cooperation. Some have set up permanent organizations to undertake the responsibility for day-to-day economic contacts between the localities concerned.

According to the State Economic Commission, the regional economic coordination networks can be classified into two general categories:

The first category is based on interprovincial associations. An example is the lateral association formed by Sichuan, Yunnan, and Guizhou Provinces, Guangxi Region, and Chongqing City in the southwest. For this association, they have set up an economic coordination committee.

The committee is not only a high-level consultative organization composed of party and government leaders from all the localities concerned, but it also breaks through the barriers between different departments and areas. In carrying out economic activities, it is not only able to act according to the economic laws, but can also use administrative means properly to put into effect the decisions reached by these five localities, take various steps to help their enterprises develop lateral economic associations, and promote the formation and development of more economic networks in various areas. Recently, Xizang has been admitted to this economic coordination committee as an additional formal member.

The second category is based on associations formed by various localities of adjacent provinces and municipalities. These associations are varied in form, each with its distincitive characteristics. Examples are the China Hinterland Economic and Technological Coordination Committee formed by 15 prefectures and cities in the contiguous areas of Shanxi, Hebei, Shandong, and Henan; the Huaihai Economic Zone Development Federation covering the contiguous areas of Jiangsu, Shandong, Henan, and Anhui with Xuzhou as the center; and the Joint Committee for Economic Associations composed by mayors of localities on the Bo Hai coast. These small-scale regional economic associations can exploit favorable natural conditions, including geographic location, and enjoy the support of the people. In addition, the localities concerned can have more economic contacts, and they are more or less at the same level of economic development. All these are conducive to the development of extensive economic cooperation, exploitation of favorable factors, and elimination of the effects of unfavorable factors, thus promoting the common economic growth of these localities. In the Huaihai Economic Zone, 20 joint coordination arrangements of various types and at various levels have been set up. These arrangements, which cover the work of economy, supply, science and technology, price information, banking information, food industry development, television education, joint highway operations, and many other fields, have brought a prosperous scene of economic development to the Huaihai Zone.

As public figures of the economic circle have pointed out, the economic coordination networks with cities as their centers will surely show an increasing vitality in breaking down the barriers between departments and regions, making reasonable arrangements for the use of productive forces, and promoting regional economic development and prosperity.

SERVICE ENTERPRISES REASSUME IMPORTANT ROLE

OW201148 Beijing XINHUA in English 0938 GMT 20 Aug 86

[Text] Beijing, August 20 (XINHUA) -- After dwindling for more than two decades, service enterprises are once again a major part of life in China.

The 3.5 million workers of China's 1.5 million service enterprises help feed, clothe and transport Chinese consumers as well offering bathing facilities, haircuts, repairs and photo processing, an official of the State Statistics Bureau said today. "But there still aren't enough service enterprises to meet the needs of the people," he said. "And too often the quality of service is not what it should be." Between 1952 and 1978, the number of service enterprises dropped from 450,000 to 90,000, according to the official. "At the end of 1980, there were only 2.6 service enterprises for every 10,000 residents," he said. "Now there are 14.7." Most of the service enterprises are collectively-owned, some are privately-owned and a few are state-owned.

NEW TRAINING PROGRAM FOR ENTERPRISE LEADERS

OW210606 Beijing XINHUA in English 0554 GMT 21 Aug 86

[Text] Beijing, August 21 (XINHUA) -- China has inaugurated a new training program for leaders of the country's 6,000 large and medium-sized enterprises, the "ECONOMIC DAILY" reported today. Leaders of the state-owned enterprises -- including directors (managers), party secretaries and chief engineers, economists, and accountants -- are required to attend a four-and-a-half month full-time management training course arranged according to different posts by the end of 1990, the paper said.

"Too many of the top people at state enterprises are ignorant of modern managerial methods," the paper said. "And too few of them know how to make decisions systematically or how to coordinate their units."

The decision to require the course was made by the State Economic Commission, China's top economic policy group, and the party's organization department, based on the result of examinations of factory directors and managers over the past few years, the paper said. The two groups decided that only graduates of the course will be entrusted with important posts and be eligible for promotion, it reported. Since 1983, the paper said, more than 100,000 leaders of smaller enterprises have taken courses and passed examinations on contemporary management in China.

FAST GROWTH OF INDIVIDUAL ECONOMY IN PAST DECADE

OW180510 Beijing XINHUA Domestic Service in Chinese 2331 GMT 17 Aug 86

[By reporter Chen Yun]

[Excerpts] Beijing, 18 Aug (XINHUA) -- Since it was no longer labeled as the "tool of capitalism," individual economy has become an indispensable part of China's economy after a decade of development.

Statistics of the State Administration for Industry and Commerce show that the number of individuals engaged in industrial and commercial undertakings has reached more than 17 million as compared to 100,000 or so at the end of the chaotic decade, representing an increase of 96 times. Individual businesses now account for 76.2 percent of the total number of businesses in society. [passage omitted]

The 17 million individual laborers have not cost the state a single fen of its outlay for job placement. In addition, they delivered 7.8 billion yuan of tax payments to the state in the years between 1981 and 1985. The prosperity of individual economy has spurred a rapid development of China's tertiary industry. It is estimated that 80 percent of these individual laborers are engaged in tertiary industry. Eighty percent of the individual business households are peasant households. [passage omitted]

Our party's General Secretary Hu Yaobang pointed out: All laborers who work hard and make contributions to the state and the people are honorable. Today, individual householders enjoy the same social and political status as the workers of state and collective enterprises. Some of them have become model workers. Others have been admitted into the party or the CYL. [passage omitted]

The problem now is that there has emerged a new situation in some localities where the number of individual business households is declining. Some comrades now feel that the individual economy has developed enough. Therefore, they have become less concerned and even gone so far as to begin to block its development. In view of this, the departments concerned are organizing for an investigation and study. At the same time, they call for a better understanding of the households of individual economy and stepped up guidance for these households.

WAN LI URGES DEVELOPING XINJIANG'S ECONOMY

OW201405 Beijing XINHUA Domestic Service in Chinese 1422 GMT 19 Aug 86

[By XINHUA reporter Wang Youfu and XINJIANG RIBAO reporter Tian Yumian]

[Text] Urumqi, 19 Aug (XINHUA) -- Wan Li, Member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, while inspecting work in Xinjiang Uygur Autonomous Region recently, pointed out: Xinjiang has made tremendous achievements and the people of all nationalities here are united. Under this political situation of stability and unity, Xinjiang should concentrate its efforts on developing its economy and promoting civilization in line with local specific conditions. Only when the economy is developed and the people have become well-to-do can the superiority of socialism in our country fully manifest itself.

Wan Li inspected various places in Xinjiang from 12 to 18 August while attending the Third National Minority People's Traditional Games. Accompanied by Wang Enmao, vice chairman of the CPPCC National Committee and chairman of the Xinjiang Uygur Autonomous Regional Advisory Commission, Song Hanliang, secretary of the Xinjiang Uygur Autonomous Regional Party Committee, and Tomur Dawamat, deputy secretary of the Autonomous Regional Party Committee and chairman of the Autonomous Regional Government, he successively inspected Kashi and Hotan Prefectures south of Tianshan, Ili Kazak Autonomous Prefecture and Altay Prefecture in northern Xinjiang, and Turpan Prefecture and Urumqi City in eastern Xinjiang. During his inspection tour, he met with local leading cadres of all nationalities, visited peasant and herdsman households of minority nationalities, inspected farms, water gates, and grasslands, and visited frontierguards. He highly praised the good situation of unity among nationalities in Xinjiang in recent years.

During discussions with Xinjiang cadres of all nationalities, Wan Li pointed out: To develop the economy, it is first of all necessary to make arrangements according to the specific local conditions including technical, management, equipment, and personnel conditions, and take into consideration the marketability and transportation of products. "Good businesses make huge profits by reaching out for seas and rivers." "Reaching out" is an important condition for obtaining high economic benefits. Wan Li expressed the hope that Xinjiang develop its economy still more quickly and make further efforts to capitalize on its advantages by expanding the production of cotton, sugarbeet, cocoon silk, licorice root, fruits, and melons and developing transportation and communications facilities in order to pave the way for the people of all nationalities to become well-to-do.

Wan Li showed cordial concern for the living conditions of the people of all nationalities. Wherever he went, he attentively listened to rural cadres' opinions about the party Central Committee's policies, called on peasants' and herdsmen's families, familiarized himself with their production and livelihood conditions, and encouraged them to eliminate poverty and become well off. Wan Li said: The principle of the party is to enable the people of all nationalities to live well.

The party Central Committee will be very happy if everybody is living comfortably. He expressed the hope that Communist Party members pastoral areas take the lead in becoming rich through hard work. He urged all localities to do a good job in helping out peasants and herdsmen who are still comparatively poor.

Wan Li showed concern for the education and training of qualified personnel in Xinjiang. He carefully inspected schools. He stressed: We must rely on education for the economic and cultural develpment of nationality areas. Good development of education is of tremendous significance to improving the quality of the entire nation. It is imperative to run rural schools successfully. Students here should also learn to speak putonghua [Mandarin] in addition to learning their own native tongues. This will greatly benefit the development of all nationalities.

Speaking on the necessity for nationality areas to get more qualified persons, Wan Li said: Xinjiang should have a preferential policy to attract qualified personnel. Inland areas should uphold the spirit of supporting the frontier areas. However, those areas looking for qualified personnel should take care of these personnel's interests. It is said that many 1986 college graduates in various parts of the country have volunteered to work in Xinjiang. This is very good. All departments and all areas should support their aspiration.

PAINTER LI SHUANG RETURNS TO BEIJING FOR VISIT

HK210851 Hong Kong AFP in English 0647 GMT 21 Aug 86

[Excerpt] Beijing, Aug 21 (AFP) -- Controversial Chinese Painter Li Shuang returned home for a visit Thursday, saying she was keen to join a exhibition being planned by non-conformist artists here. "I am so happy to be back after such a long absence," said Miss Li, 30, at Beijing airport. She said that during her stay she wanted to participate in next month's show being organized by fellow members of the Stars, a group of non-conformist artists formed in 1979 amidst dissident class for more democracy in China.

In September 1981 Miss Li was at the center of a diplomatic incident between Beijing and Paris when she was arrested shortly before she was to marry French diplomat Emmanuel Bellefroid.

She was sentenced to two years of "re-education through work" for having lived illegally with Mr Bellefroid in his apartment, but was released in mid-1983 and allowed to go to France where she married him. Mr Bellefroid accompanied Miss Li here Thursday.

She indicated that the Chinese Embassy gave neither her nor Mr Bellefroid difficulty when they applied for entry visas, and that consular officials had been "extremely polite" with them.

"I have come to see all my family again and I am going to stay a month and a half. China is my country. I have also come to see the changes taking place and to meet young Chinese painters."

While in France Miss Li continued her work and organized several personal shows there and in the United States. [passage omitted]

FUJIAN LEADERS PAY VISITS TO COASTAL AREAS

HK201150 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1244 GMT 19 Aug 86

[Report: "Party, Government Leaders of Fujian Province Recently Visit Coastal Areas Again and Again"]

[Text] Fuzhou, 19 Aug (ZHONGGUO XINWEN SHE) -- Recently, party and government leaders of Fujian Province frequently visited coastal areas to carry out investigation in order to look for ways to do an even better job in implementing the open door policy and in reform.

Provincial CPC Secretary Chen Guangyi, provincial Deputy Secretary Jia Qinglin, provincial Vice Governor Cai Ninglin, and others drove to Changle County on 13 August and inspected the Fuzhou thermal power plant, a key construction project of the state which is underway, and the new "textile town," Jinfeng. They made a positive assessment on the Xiasha coastal holiday resort in Chengle, which has been newly built this year. Since this scenic spot opened for business a month ago, it has received more than 80,000 visitors from Hong Kong, Singapore, Japan, Holland, and various parts of China. Chen Guangyi asked the local government to encourage the peasants to run restaurants, hotels, shops, studios, and so on in order to solve the problem of insufficient service facilities there.

Jia Qinglin and officials of the provincial Aquatic Products Department, the Financial Department, and other departments went to the developing Luoyuanwan on 16 August to find out how things were proceeding in the construction of an aquatic products export base there. At present, Lyoyuan County has invested 20 million yuan there to expand a farm for breeding prawns, fresh water fish, and Pacific oysters, and to build a large fry farm, feed plant, cold storage, and so on. Jia Qinglin discussed with the local people how to do a good job in making short- and long-term development plans.

In addition to the Fuzhou and Meizhouwan area investigation group led by Provincial Deputy Party Secretary Jia Qinglin and Vice Provincial Governor Cai Ninglin, two other investigation groups were also sent at the same time to Xiamen, Zhangzhou, and Quazhou areas and coastal islands. Also participating in the investigation activities are Vice Provincial Governors Wang Yishi and Chen Binfan, and 48 other important officials of the provincial party and government departments.

The purpose of this trip of Fujian's party and government leaders is to sum up Fujian's experience in opening to the outside world and in reform in the past few years, to find out existing problems, and to explore ways for using special policies for Fujian formulated by the central authorities to make better use of foreign funds and funds of Overseas Chinese, to import technology and equipment, to increase exports, and to accelerate the development and construction of Fuzhou, Xiamen and Meizhouwan, and the triangular region in southern Fujian.

JIANGXI MEETING STRESSES REFORM OF LABOR SYSTEM

OW211245 Nanchang Jiangxi Provincial Service in Mandarin 1000 GMT 19 Aug 86

[Excerpts] At a provincial meeting of directors of labor and personnel bureaus, Jiang Zhuping, member of the Standing Committee of the Jiangxi Provincial CPC Committee and vice governor of Jiangxi Province, stressed: Labor and personnel departments at all levels in the province should unify their thinking and deepen their understanding of reform of the labor system, fully understand the necessity and major contents of the reform, take correct steps to carry out the reform, and strengthen their leadership over the work in this area.

All sectors and departments concerned should strengthen cooperation among them in order to ensure that the reform is carried out decisively and steadily, that all practical work is carefully planned and properly directed, and that the reform will be a success.

The meeting was held in Jinggangshan from 12 to 18 August. Attending the meeting were directors of labor and personnel bureaus of various prefectures, cities, counties, and districts of the province; managers of various employment agencies; directors of labor and personnel departments of provincial level; and directions of labor and personnel sections of some units under the central organs in Jiangxi Province, totaling more than 300 people.

The meeting held a serious discussion or reform of the labor system, employment problems, and other issues, and the participants of the meeting unified their thinking and deepened their understanding of the issues discussed. The meeting also summed up and exchanged experience in employment and job placement work in Jiangxi's cities and towns. [passage omitted]

The meeting called on labor and personnel departments in all localities to persist in reforming the labor system in carrying out employment and job placement work in the second half of this year; to fully carry out the policy on providing jobs for the old, the middle-aged, and the young; and to strive to improve vocational training and further diversify the channels, ways, and means for providing employment in order to ensure the fulfillment and overfulfillment of the annual job placement plan set by the (?provincial) government and to create favorable conditions for carrying out next year's work.

SHANGHAI ENTERPRISE REFORMS IMPROVE MANAGEMENT

OW211145 Beijing XINHUA Domestic Service in Chinese 0033 GMT 20 Aug 86

[By reporters Xu Guangyao and Li Zhenghua]

[Excerpts] Shanghai, 20 Aug (XINHUA) -- More than 730 enterprises in Shanghai are carrying out the plant director's responsibility system. In these enterprises all party cadreb, administrative personnel, and factory workers are devoting their efforts to "reforms" with the plant directors playing the "leading role." As a result, the enterprises are full of vigor and vitality. [passge omitted]

The plant director responsibility system does away with the old practice of the party committee being the core of the enterprise. Instead, a new practice has been established whereby the plant director exercises centralized leadersip and assumes full responsibility for directing production, operations, and management. This makes it possible to give full play to the plant director's initiative and creativity. [passage omitted]

The implementation of the plant director's responsibility system has also enhanced the idea that production is the central task. Consequently, production management has been strengthened, and a new situation marked by effective instructions, quick decision and high work efficiency has appeared in enterprises. [passage omitted]

With the institution of the plant director's responsibility system in enterprises, their party organizations have been relieved of routine administrative burdens, thus enabling them to concentrate on ideological and political work and to play a still better role in supervising and ensuring successful enterprise operations.

The party committees' work has thus been effectively improved and strengthened. Investigations conducted by the departments concerned reveal that now more responsible persons of the enterprise party organizations are exploring new ways of doing ideological and political work, holding heart-to-heart talks with staff and workers, considering how to train and recruit new party members from among outstanding intellectuals and backbone workers on the production forefront, and studying how to intensify their own idelogical education. [passage omitted]

In addition, with the institution of the plant director's responsibility system, trade unions and congresses of staff and workers are now playing their roles to the full and the workers' position as masters of the enterprises has become more noticeable. Many enterprises have formulated detailed regulations governing the work of party orginzations, administrative departments, and workers, further defind the relationship between congresses of staff and workers on one hand and plant directors on the other, and devised effective measures for staff and workers to take part in democratic enterprise management in the form of "meetings for addressing interpellations to plant directors," "public opinion polls," and "democratic supervisory posts." [passage omitted]

WANG FANG AT MEETING ON ZHEJIANG MOUNTAIN ECONOMY

OW220303 Hangzhou Zhejiang Provincial Service in Mandarin 0900 GMT 20 Aug 86

[Text] A 5-day provincial conference on economic work in mountain areas concluded in Hangzhou today. Leaders of the provincial party committee and the provincial government Wang Fang, Xue Ju, Chen Fawen, Wu Minda, Shen Zulun, and Li Debao separately heard reports at the conference.

The conference pointed out: The cadres and masses should have a clearer understanding of the socialist commodity economy and be bold in engaging in the production and exchange of commodities. In so doing, they should face the world and brave the storm; they should gradually change their outmoded notions and foster market ideas, develop in various ways, provide services, and open to the outside world.

The conference held: In guiding economic construction in mountain areas, vigorous efforts should be made to solve problems in transportation and the circulation of commodities in order to create basic conditions for the production and exchange of commodities. At the same time, local advantages and disadvantages should be thoroughly analyzed so as to develop the mountain areas according to our actual conditions.

The conference called on various localities to persistently carry out economic structural reform in forestry and further improve the responsibility system in order to make lumber circulation smooth. Vigorous efforts should be made to readjust the production structure in forestry and to accelerate forestry development. At the same time, it is necessary to continue to step up to work of helping poverty-stricken areas in order to make it possible for such areas to eliminate poverty in 3 years. Leaders at various levels and all cadres working in mountain areas should cultivate a pioneering and realistic spirit and the spirit of being responsible to the people in these areas and help and lead them in changing their poverty and backwardness as quickly as possible.

GUANGDONG ISSUES NOTICE ON FOREIGN OFFICE HIRING

HK211444 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1241 GMT 20 Aug 86

[Report: "Guangdong Provincial Government Issues a 'Notice on the Procedure of Recruitment of Staff by Foreign, Hong Kong, and Macao Enterprises' Permanent Representative Offices in Guangdong Province"]

[Text] Guangzhou, 20 Aug (ZHONGGUO XINWEN SHE) -- The Guangdong provincial government today promulgated a "Notice on the Procedure of Recruitment of Staff by Foreign, Hong Kong, and Macao Enterprises' Permanent Representative Offices in Guangdong Province," which states that any foreign, Hong Kong, or Macao enterprise's permanent representative office in Guangdong Province which wants to recruit staff must apply to relevant departments for registration. It must fill in an application form and pay a service charge.

The "notice" stipulates that recruitment of staff or affairs concerning temporary labor service of the abovementioned offices shall be managed in a unified manner by the Guangdong Provincial Labor Bureau and shall be concretely handled by external labor service companies of the province, prefectures, cities, and various special economic zones. No other unit or individual is allowed to handle such business or provide such service.

The "notice" requires that staff recruited by the abovementioned offices on the mainland should sign labor service contracts with external labor service companies in various localities, and those who want to renew their contracts when they expire must go through renewal procedures and pay a service charge.

The payment for labor service, wages, welfare, labor insurance standard, and so on of the employed personnel shall be based on a unified standard formulated in accordance with the relevant state regulations.

The "notice" also requires that foreign, Hong Kong, and Macao enterprises' permanent representative offices which recruited staff on the mainland not in the manner stipulated in this "notice" shall go to relevant departments to go through the procedures accordingly within 2 months after the promulgation of this "notice."

GUANGDONG'S FOREIGN ENTERPRISES GRANTED LOANS

HK201200 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1243 GMT 19 Aug 86

[Report: "Guangdong's Enterprises With Foreign Investment Are Granted $360 Million in Loans From the Bank of China" -- ZHONGGUO XINWEN SHE headline]

[Text] Qinghuangdao, 19 Aug (ZHONGGUO XINWEN SHE) -- Recently, (Wang Tingdong) Guangzhou Branch vice president of the Bank of China, said: The Bank of China granted more foreign exchange loans to Guangdong's Sino-foreign joint ventures, cooperative enterprises, and enterprises solely run by foreign businessmen than the total of foreign exchange loans granted to such enterprises in other parts of China.

At a recent national work conference on financing enterprises with foreign investment, (Wang Tingdong) told reporters that by the end of the first half of this year, the Bank of China han accumulatively granted to the enterprises $360 million worth in loans in Guangdong. Fifty percent of the loans granted in Guangdong had been repaid and the balance, worth $180 million, only accounted for 6 percent of the province's actual utilization of foreign capital, which totaled $2.8 billion.

In Guangdong, there are about 4,000 enterprises operated with foreign investment, accounting for more than 50 percent of China's total number of these enterprises. Almost all of the 112 Guangdong branch organizations of the Bank of China engage in the business of granting loans to enterprises operated with foreign investment. Also, many offices of the branch handle the distribution and management of loans to these enterprises.

(Wang Tingdong) said that during the early days of opening up to the outside, Guangdong's foreign businessmen mainly invested in enterprises engaging in commerce, transport, and catering service industries. Judging from a long-term viewpoint, there were too many nonproductive projects and the situation was unfavorable for economic development in a coordinated way. Therefore, the bank has recently given emphatic support to industrial enterprises when granting loans to enterprises operated with foreign investment. Between 1981 and the end of 1985, the bank accumulatively granted $120 million in foreign exchange loans to the industrial enterprises. For the sake of encouraging enterprises to expand exports and earn more foreign exchange, the Bank's Guangzhou branch granted in the first half of this year the loans to the newly opened 44 enterprises operated with foreign investment, of which 50 percent achieve a foreign exchange earning ratio of 35 to 50 percent and another 50 percent achieves a foreign exchange earning ratio to 51 to 100 percent. According to the statistics, the bank's Guangzhou Branch granted in recent years 75 foreign exchange capital loans, totalling more than $51 million to joint ventures for importing technology and equipment which were of the advanced level in the world in the 1970's and early 1980's.

(Wang Tingdong) pointed out that in the course of granting loans to enterprises operated with foreign investment, there developed a situation in which work in imports and in construction were duplicated. This is because the supervision work was unable to catch up with the development and the work was not seriously dealt with. In the light of this situation, the bank's Guangzhou Branch strictly controlled last year the work of granting loans to such production projects as section aluminum, video and audio tapes, polyester fibre, and hotels. The results are quite good.

FORMER SHANTOU PUBLIC SECURITY HEAD IMPRISONED

HK211426 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1352 GMT 19 Aug 86

[Reporter: "Former Head of Public Security Department of Shantou Prefecture Is Sentenced to 4 Years' Imprisonment"]

[Text] Guangzhou, 19 Aug (ZHONGGUO XINWEN SHE) -- The Shantou City Intermidate People's Court, Guangdong Province, this morning sentenced Ruan Depu to 4 years' imprisonment according to law. Ruan was formely vice chairman of the Political and Law Committee of the Shantou Prefectural CPC Committee and concurrently head of the Shantou Prefectural Public Security Department.

Ruan Depu is 63 years old. During the period from November 1974 to November 1981, he took advantage of his position and personally gave written approval or asked others to give approval to 33 applications for exit visas. In the course of doing so, he collaborated with his wife to take bribes in cash amounting to 2,500 yuan, and bribes in kind, including one 18-inch Sanyo color television set, one Model 1800 3-use audio complex, one Model 8585 radio-recorder, one Titoni men's automatic watch with calendar, one 10-gram gold necklace, one string of gold beads weighing 3 grams, and one medium-length overcoat.

The total value of these when converted into renminbi is 6,418 yuan. In accordance with the first paragraph of Article 185 and Article 22 of the "Criminal Law of the People's Republic of China," the Shantou City Intermediate People's Court sentenced Ruan Depu to 4 years' imprisonment and confiscated all the bribes, and sent them to the state treasury.

GUANGXI MEETING REVIEWS PERSONNEL WORK ISSUES

HK210221 Nanning Guangxi Regional Service in Mandarin 1000 GMT 20 Aug 86

[Excerpts] Station reporter (Liao Rufu) has learned from the regional meeting of personnel bureau directors which concluded yesterday that reforms of the cadre department system are now imperative. The future main task is to gradually institute the systems of hiring cadres and setting terms of office for cadres, and to organize a system for the exchange and rational mobility of cadres.

Beginning this year, the region will universally apply the hiring system when recruiting cadres for township and town organs, undertakings, and units. [passage omitted] The region will also apply the system of selecting and hiring enterprises cadres. [passage omitted] In light of work requirements, enterprises can select and hire cadres from among the workers. During their term of office, they will enjoy the pay and conditions of cadres at the corresponding level. After their term expires, they will revert to being workers and will no longer receive cadre pay and conditions.

The region will also practice on a trial basis the system of setting a term of office for leading cadres of state administrative organs. A hiring system will be implemented on a trial basis for cadres of middle grade and below. [passage omitted]

The term of office to be set for leading cadres of organs will in general be 3 years. The term of hire for middle-grade cadres will be basically the same as for leading cadres. Both of these systems are to be implemented on a trial basis. [passage omitted]

Chen Huiguang, Wei Chunshu, and Jin Baosheng, leading comrades of the party and government in the region, made speeches at the meeting, which concluded yesterday. Guo Xiquan, member of the Standing Committee of the regional party committee and director of the Organization Department, delivered a report entitled "Seriously do a good job in personnel work to meet the needs of reform."

POPULATION CONTROL SUCCEEDING IN SICHUAN

OW210321 Beijing XINHUA in English 0149 GMT 21 Aug 86

[Text] Chengdu, August 21 (XINHUA) -- Suchuan, China's most populous province, plans to keep its population under 107.2 million to 1990, and hold it to 120 million by the year 2000.

The population growth rate of the province increased at an average rate of 11 per 1,000 within five years, about 1.4 per 1,000 lower than the national figure, said Liu Chunfu, head of the Sichuan family planning group, today.

"To achieve this aim," Liu said, "the province will continue to carry out the present one-child-for-one-couple policy. Efforts should focus on rural areas, where 80 percent of the people live."

Sichuan had 101.88 million people in 1985, with a birth rate of 15 per 1,000, down from 40.72 per 1,000 in 1970, when family planning was introduced. The natural growth rate dropped to 8 per 1,000 from 31.2 per 1,000 during the same period, said Liu.

The Sichuan family planning group has invited economists, population experts and family planning workers to discuss concrete population-control measures for the province.

"However," Liu said, "the minority-nationality people living in the remote mountainous areas in this multinational province can have two children."

Traditional ideas have died out as the Sichuan people became better informed about birth control through 15 years of population-policy publicity. However, birth control is expected to remain a serious problem during the next thirteen years, said Liu. The local government encourages couples of child-bearing age to follow the policy of late marriage and birth-control.

CHONGQING PAPER REVIEWS INDUSTRIAL PROBLEM

HK210615 Chongqing CHONGQING RIBAO in Chinese 9 Aug 86 p 1

["Reporter's Commentary on Current Industrial Situation": "Continue To Display the Spirit of All-Out Effort, Get an Ever Tighter Grasp on Industrial Production"]

[Text] According to data released by the city Statistics Bureau, Chongqing did not do very well in fulfilling its July industrial production plans. Although the month showed 9.3 percent growth over the same month last year, there was a drop of 15.72 percent compared with June this year. This signal should attract the serious attention of leaders at all levels on the industrial front. The situation in August is even more serious, and unless tangible measures are adopted to reverse this situation, there will be tremendous difficulties in fulfilling the industrial production plans for this year.

Two points regarding the July decline merit attention: First, the decline convered a wide variety of sectors including the defense industry, petroleum, industry and communications, the construction commission, the financial system, and every district and county. The declines in a large number of enterprises exceeded 10 percent and were as much as 30 or 40 percent in a few cases. [paragraph continues]

The gratifying thing was that a number of key enterprises including the Chongqing iron and steel company and Sichuan vinalon plant, together with the city Communications Bureau, Shuangqiao district, and Rongchang County fulfilled their plans relatively well and maintained a momentum of continued growth.

July happens to be a month of searing heat in Chongqing, and there were also torrential rainstorms. Energy was in short supply, the shortages of raw materials increased, rapid changes took place in the markets, and the product mix did not suit the consumption structure and the market requirements. Urban and rural sales channels were blocked. Without doubt, these objective unfavorable factors inflicted direct losses and impacts on production, and it would be wrong to fail to acknowledge this.

The problem is that it is often subjective factors that people are prone to neglect. After an improvement in output in May and June, the leaders of some responsible departments and enterprises slackened their efforts and developed the idea of "taking a rest." They failed to get a tight grasp of production or to implement measures properly, with the result that certain contradictions and problems that had already been starkly revealed could not be solved in good time, and this led to a decline in production. This too has to be squarely faced.

What is past is past, but we must do better in the future. We must base our efforts on the present moment and seize the opportunity. The tasks facing us in the next few months are extremely arduous. Industrial output value at the end of July accounted for only 53.68 percent of the quota for the whole year, and we have to fulfill the remaining 46 percent in the next 5 months. Moreover, the weather is even hotter in August, and the shortages of energy and certain raw materials cannot be fundamentally resolved within a short time. Thus the conditions for organizing production are difficult. However, Chongqing has great potentials latent in its industrial production. At present output is on the upgrade and the conditions are favorable. The key lies in maintaining an excellent mental approach. At present, in order to boost output, we must continue to display the spirit of all-out effort we showed during the Red month of May, and do everything possible to make every minute and second count and to get an ever tighter grasp of things. We believe that in this way the situation will rapidly improve. The ideas that so long as the key elements in production are all in place, production will rise naturally, and the practice of sitting and waiting for conditions to improve instead of making subjective efforts are unrealistic and will only result in delays and still greater passivity.

Reform is a powerful stimulus for developing production. The heavier the tasks and the greater the difficulties, the more must we persevere in reform and promote and deepen it. The reason why reversals occurred in production in certain enterprises in July was precisely that they failed to persevere in reforms in the issues of distribution and the economic responsibility systems, but instead went back to the old road, thus hampering the masses' initiative. There is a lesson here. At present, in order to boost production and improve the enterprises' economic results, we must continue to get an unswerving grasp of reforms, perfect the complete set of reform measures, and improve the subjective controls. In particular we must get a good grasp of the complete sets of reform measures within the enterprises. We must go further in firming up the plant manager responsibility system and the various economic responsibility systems, protect the cadres' and masses' enthusiasm for reform, and stimulate the deepening of reform and the development of production. Many of the difficulties and problems currently being encountered in production can only be resolved through reform.

In order to promote production and develop it in a sustained and steady way, it is also necessary to provide careful guidance and organization and to do a sound job in helping the enterprises to resolve a number of problems. For instance, the present overstocking of products has become an outstanding contradiction affecting production and economic results; although some measures were taken in the previous period, no breakthrough was made in this "vicious circle," and it is necessary to do everything possible to expand sales and strive for some breakthrough. Certain other urgent problems should also be solved correspondingly.

XIZANG LEADERS HOLD FORUM WITH STATE ENERGY GROUP

HK191429 Lhasa Xizan Regional Service in Mandarin 1130 GMT 18 Aug 86

[Text] On 17 August, regional people's government Chairman Doje Cering, Vice Chairmen Mao Rubai and Jyamco, and responsible comrades of relevant departments, bureaus, and commissions made reports to all members of the state's Xizang energy comprehensive investigation group and held a forum with them. They studied together the method to solve the problems of the shortage of energy in Xizang.

Comrade Mao Rubai first introduced the present state of Xizang's energy to the comrades of the state's Xizang energy comprehensive investigation group and at the same time informed them of Xizang's attitude toward the future exploitation of energy. He put forward specific views on hydraulic electrogenerating, geothermal power generation, generation by means of coal, and bulding a nuclear power station. Chairman Doje Cering also put forward views on other modes of generation.

The leading comrades of the state's Xizang energy comprehensive investigation group also expressed their desires to help Xizang solve the problems of energy and put forward their plan for exploiting and utilizing Xizang's energy. They also put forward views on bulding a nuclear power station for Xizang.

SUN WEIBEN AT HEILONGJIANG COOPERATION MEETING

SK220506 Harbin Heilongjiang Provincial Service in Mandarin 0900 GMT 21 Aug 86

[Excerpts] The third northeast China economic and technological cooperation meeting opened at the Harbin Beifang Building this morning.

The meeting will sum up and exchange experiences gained in the past 2 years by conducting economic and technological cooperation, will discuss and solve the major problems cropping up in conducting economic cooperation, will further make the most of Northeast China's natural resources and economic and technological advantages, and will discuss the issue of developing long- and medium-term economic and technological cooperation projects according to the principle of making common progress on a mutually benefincial basis in order to widen the sphere of cooperation.

Attending the meeting were 600 people, including leading comrades of Liaoning, Jilin, and Heilongjiang Provinces and Nei Monggol Autonomous Region; and responsible persons of relevant departments, large factories and mines, and universities and colleges.

Du Xianzhong, secretary general of the Heilongjiang Provincial Government, presided over today's opening ceremony. Hou Jie, governor of the Heilongjiang provincial government, delivered an opening speech. [passage omitted]

Sun Weiben, secretary of the Heilongjiang Provincial CPC Committee, attended the opening ceremony. (Bai Zhenxing), deputy secretary general and concurrently head of (?the Northeast China Economic and Technological Cooperation Office), delivered a report to sum up the work done since the second northeast China economic and technological cooperation meeting. [passage omitted]

GAO DI SPEAKS ON JILIN PARTY RECTIFICATION

SK220714 Changchun Jilin Provincial Service in Mandarin 2100 GMT 21 Aug 86

[Excerpt] To achieve success in the province's village-level party rectification, the provincial party committee has released a total of 400 office cadres from its departments, commission, bureaus, and offices, and will send these cadres to various localities to participate in village-level party rectification in the capacity of inspectors. From 14 to 21 August, the Party Rectification Office of the provincial party committee provided training for these cadres.

During the period of training, Comrade Gao Di made a speech on the current rural situation and on the province's village-level party rectification. Concerning the province's current rural situation, Comrade Gao Di said: In carrying out village-level party rectification, we should focus on consolidating and developing the excellent rural situation, accelerating reform in various fields, and accelerating the pace of the four modernizations. The province is one of the commodity grain bases of our country. Since 1982 the province's grain production has developed very quickly. Hit by serious floods and waterlogging last year, our province has been affected by more catastrophic floods and waterlogging this year. However, the province's current situation remains good.

Comrade Gao Di said: In view of the situation of the past 2 years, we can see that single-mindely grasping grain production will lead to failure. We must strive to compensate for losses incurred in agriculture with industry and for the losses in grain with animal husbandry.

At the same time, we should be determined to readjust the agricultural production structure, and vigorously develop secondary and tertiary rural industries. In carrying out rural reform, we must focus our efforts on grasping industrial and sideline production and on developing town and township enterprises, based in ensuring a stable increase in grain output.

Concerning village-level party rectification, Comrade Gao Di said: Party rectification should facilitate the fulfillment of the general goal and task. In evaluating the achievement of party rectification, our judgement should be based on developing productive social forces. [passage omitted]

At the conclusion of his speech, Comrade Gao Di set expectations and demands for the cadres to be sent to various localities to participate in village-level party rectification. [passage omitted]

ARTICLE ON PROSPECTS FOR NEI MONGGOL ENERGY BASE

SK220802 Shenyang DONGBEI JINGJI BAO in Chinese No 7 12 Aug 86 p 1

[Text] The eastern part of Nei Monggol Autonomous Region has rich resources of brown coal, nonferrous metal, and building materials. Recently, to study issues of such regional strategic significance as how to accelerate the building of the energy base and stimulate the development of other industrial construction projects, the Northeast Economic Zone Planning Office and the Nei Monggol Autonomous Region have jointly held a forum in Tongliao on development groups of items in favor of building the energy base.

The forum was presided over by Feng Yingkui, deputy director of the Northeast Economic Zone Planning Office. Leading comrades of the Nei Monggol Regional Planning Commission, of the Hulun Buir League, the Xingan League, the Jirem League, and Chifeng City, and concerned comrades analyzed the situation and held that pooling together the superiority of the region's natural resources, organizing groups of construction projects of strategic significance under the unified state plan, and carrying out unified planning while simultaneously building the projects may help avoid the malpractices of creating barriers between different departments and regions, dislocations, and serious losses and waste. It may also help to open a new way for economic construction, which is characterized by small investment, speed, and high efficiency.

Through study, the forum put forward statements of intent: Based on building the Huolinhe coal mine, we should build a new energy base in the northeast region, with a focus on building two large-scale power plants in Huolinhe and the Horqin Right Banner, to stimulate eight other major construction projects in the eastern part of the Nei Monggol region, including expanding an iron and steel plant, the exploiting and smelting of nonferrous metal, comprehensively utilizing brown coal, and other new projects, innovations, and expansion projects for making chemical fertilizer, cement, glass, and glass products. These statements of intent will be further systematized by the Nei Monggol Regional Planning Commission, discussed by the leading departments concerned, and reported to the state for making policy decisions.

SHAANXI LEADERS SUPPORT PLANT MANAGER SYSTEM

HK210143 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 20 Aug 86

[Excerpts] (Wang Shuangxi), deputy secretary of the Weinan Prefectural CPC Committee and prefectural special commissioner, has taken a firm and clear-cut stand in supporting the reforms of (Jia Zhige), manager of the Heyang county electrical condenser plant, who had become the target of various censures.

(Jia Zhige) has persevered in reform in recent years. He has instituted economic responsibility systems and the contract labor recruitment system, and has established technical cooperation relations with more than 20 research units and tertiary education institutes throughout the country. New products have been developed, and the plant's economic results have showed marked improvement.. It has become a national advanced unit in its trade.

(Jia Zhige) has become the target of a variety of censures since the second half of last year. Some people negated the reform measures he had instituted in the plant. Some regarded the plant's proper activities in exchanges with other units as extravagance and waste. Some people wildly exaggerated certain shortcomings in the plant's capital outlay arrangements. Some even satirized (Jia Zhige) for wearing western clothing on his visits to other units.

(Wang Shuangxi) recently went to Heyang County to personally investigate the situation regarding the plant and its manager. In a speech to a gathering of leading cadres of all townships, towns, departments, and units in the country, he expressed high praise for the achievements of (Jia Zhige) in persevering in reform. He also refuted the various slanders against (Jia).

(Wang Shuangxi) said: There is a strange phenomenon at present: No one seems to be criticizing those who do no work all day long, while those who work hard feel that they are not given a moment's peace. We have must have the proper concept of right and wrong on this issue. [passage omitted]

(Wang Shuangxi's) clear support for (Jia Zhige) in carrying out reform has been praised by the cadres and masses in the county. Many enterprise leaders said: Now we can lay down our burdens and get on with reform. [passage omitted]

(Li Huanzhang), special commissioner of the Yulin Prefectural Commissioner's office, recently announced at a meeting of county governors that the plant manager or director is the number one man in the enterprise, with powers to appoint and dismiss cadres, to make operational policy decisions, to exercise administrative command, and to reward or fine the workers. The enterprise party committee must no longer intervene in the appointment and dismissal of middle-grade cadres, in production activities, and in operational policymaking. Ninety-five of the 114 state-owned enterprises in Yulin Prefecture have already instituted the plant manager responsibility system. Since last year the prefecture has examined and reshuffled 249 leading cadres of enterprises. If both the manager and the party secretary in an enterprise are highly able persons, the party secretary is transferred to be manager of another enterprise. If the manager or director is weak and the party secretary is able, the latter is made manager or director. [passage omitted] Sixteen enterprises have abolished the system of having a full-time party secretary, and the manager holds both posts. Five enterprises only have a manager and no secretary. The prefecture has decided to continue to reshuffle the leading cadres of the enterprises so as to ensure the all-round implementation of the plant manager responsibility system.

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VIETNAM'S AGGRESSIVE ATTITUDE DENOUNCED

HK250410 Hong Kong WEN WEI PO in Chinese 25 Aug 86 p 2

[Editorial: "Vietnam Has Not Changed Its Aggressive Attitude"]

[Text] Mikhail Gorbachev delivered a speech at Vladivostok in late July. Meanwhile, TASS announced that Truong Chinh, General Secretary of the Vietnamese Communist Party, went to the Soviet Union for a vacation upon invitation. This gave the impression that the Soviet Union seemed to be interested in readjusting its relations with China and Sino-Vietnamese relations. How will the situation develop? This attracts the attention of those who are concerned with peace in the Asian-Pacific region.

Gorbachev held talks with Truong Chinh on 12 August. He reiterated that the Soviet Union would continue to "support the Vietnamese people." "The two sides discussed supplemental measures for cementing the economic and trade ties and the ties of scientific and technological cooperation between the Soviet Union and Vietnam." "The Soviet Union and Vietnam have identical views on the international situation." "The Asian-Pacific region should be managed by the joint efforts of all countries and fully respect the right of the people of each country to choose their way of life." "The Soviet Union, Vietnam, Laos, and Cambodia are one in actively advocating the change of Southeast Asia into a region of peace, good neighborliness, and cooperation." "The Soviet Union and Vietnam reiterate their will to normalize their relations with China. This will be of great significance to peace in the Asian-Pacific region." These remarks were reported by TASS.

However, in reporting this meeting, the Vietnamese newspapers did not carry such phrases as "the completely identical views of both sides on all questions," nor did they express gratitude for the Soviet aid. This was unlike what they have invariably done in the past.

Obviously, the Soviet and Vietnamese general secretaries, in their meeting, did not attempt to solve the Cambodian question but played a trick. On the fifth day after their meeting, the "foreign ministerial meeting of Vietnam, Laos, and Phnom Penh," engineered single-handed by Vietnam, opened. Vietnamese Foreign Minister Nguyen Co Thach praised Gorbachev's Vladivostok speech as having promoted "peace in the Asian-Pacific region." However, how can there be "peace" before the Vietnamese war of aggression against Cambodia has ended?

The Vietnamese foreign minister adhered to his aggressive stand, announcing that the development of the Cambodian situation is "irreversible." His aim was to make world opinion recognize the lawfulness of the Vietnamese aggression against Cambodia and to stop the anti-Vietnamese forces from offering resistance. Such "peace" means only to allow the aggressors to carry on expansionism "in peace."

Commenting on the foreign ministeral meeting of the three Indochinese countries, the Chinese Foreign Ministry pointed out that the Vietnamese authorities did not show sincerity in solving the Cambodian question. The fundamental obstacle to the normalization of Sino-Vietnamese relations is the Vietnamese occupation of Cambodia. There is no way to talk about negotiations in any place and at any level proposed by Vietnam.

The Soviet Union asked China and Vietnam to hold 'comradely" dialogue. This is impractical. China is absolutely not a "comrade" of Vietnam, which goes in for expansionism, jeopardizing the peace in Southeast Asia. The Soviet Union is Vietnam's "comrade." [paragraph continues]

It was precisely because the Soviet Union supplied Vietnam with tanks, aircraft, missiles, and guns that Vietnam could launch an 8-year-long war of aggression against Cambodia, Is it not ridiculous to talk about "fully respecting the right of the people of each country to choose their way of life" before the Soviet Union stops giving military aid to Vietnam? Only when Vietnam has completely withdrawn its troops can the Cambodian people choose the political form of their country and enjoy real independence.

How can Sino-Vietnamese and Sino-Soviet relations be normalized when Gorbachev has evaded the question of Vietnamese aggression against Cambodia and Vietnam makes no mention of stopping its aggression against Cambodia? Vietnam holds that since China and the United States might evade the Taiwan question and normalize their relations, why can't the Cambodian question be evaded by the same method? This argument is untenable. The condition for the normalization of Sino-U.S. relations was that the United States would withdraw all its troops from Taiwan and the Taiwan Strait and abrogate the Taiwan-U.S. Joint Defense Treaty. The Vietnamese expansionist acts are seriously threatening the safety of China and Southeast Asia. China will absolutely not evade this question. The obstacle to the normalization of Sino-Vietnamese relations lies on the Vietnamese side. The Vietnamese withdrawal of troops from Cambodia is the only way to solve the question.

RENMIN RIBAO VIEWS U.S.-USSR NUCLEAR TESTS DISPUTE

HK240230 Beijing RENMIN RIBAO in Chinese 23 Aug 86 p 6

["Roundup" by Zhang Liang: "The Argument Over the Nuclear Testing Issue"]

[Text] On 18 August, Soviet leader Gorbachev extended until 1 January next year the time limit for a halt to all nuclear tests, originally set for 6 August, and continued to demand that the United States follow the Soviet example. However, the United States, giving as its reason that halting nuclear tests now "is not in U.S. security interests," again rejected this Soviet proposal. This is the fourth U.S.-Soviet clash over the nuclear tests issue in a year. It shows that the two sides still diverge widely in their stand on this issue.

This argument over the nuclear testing issue began at the end of July 1985. At that time, the Soviet Union put forward a proposal on "halting tests" and decided that it would unilaterally halt all nuclear tests from 6 August that year (the 40th anniversary of the dropping of the first U.S. atomic bomb on Hiroshima) until 1 January 1986. The Soviet Union also appealed to the United States to follow suit. On the day of this Soviet announcement, the United States announced that President Reagan had written to Gorbachev inviting the Soviet Union to send observers to Nevada to monitor the nuclear tests. The two sides rejected each other's proposals. The United States described the Soviet proposal for a temporary test halt as a "propaganda trick" that would not allow for verification. The Soviet Union, for its part, said that inviting the Soviet Union to send observers to the nuclear tests showed a desire to "legalize" the tests. After that, the Soviet Union took every opportunity to repeatedly raise the proposal for a bilateral Soviet-U.S. halt on testing. On 15 January and 10 May this year. The Soviet Union announced further extensions to the temporary halt in tests, to last until 6 August, while the United States adopted, as before, an attitude of boycotting the proposal. In order to ban nuclear tests, Gorbachev indicated a desire to hold a special meeting with Reagan in Europe to discuss the issue. The United States, for its part, said that summit talks "should embrace all questions in U.S.-Soviet relations," and was not willing to hold a high-level meeting only to discuss the test ban issue.

In the past year, the Soviet Union has extended the test halt three times to put pressure on the United States in a bid to force it to give way and put a halt to the necessary U.S. tests being carried out in order to improve its weapons. However, the United States has come up with all sorts of reasons to withstand the Soviet pressure and not give an inch. It has also carried out 18 underground nuclear tests. The two sides have waged a war of words during this period, which seems to have never stopped. The Soviet Union has accused the United States of following a "principle of nuclear confrontation" by rejecting a halt on tests, "thereby wrecking the efforts to stop the arms race," in a bid to gain "nuclear superiority" over the Soviet Union. For its part, the United has countered that the aim of the Soviet Union in currently calling for a joint U.S.-Soviet halt to nuclear tests is to "freeze Soviet nuclear superiority" and block U.S. efforts to improve its deterrent forces. At the same time, the two sides have exerted themselves in defending their stands. One side says that halting nuclear tests is the most practical way in striving to halt the arms race; the other says that the verification technology needed for halting nuclear tests is not yet complete, hence verification is impossible. As far as arms control ils concerned, the U.S. goal is to greatly reduce the offensive nuclear weapons of both sides.

It is not difficult to see that the attempts of the two sides to gain military superiority lurk behind this argument. According to analysis by Western public opinion, there is at present a rough parity between U.S. and Soviet nuclear forces, with the Soviet Union holding an advantage in certain fields. Taking into account the requirements for its domestic economic development, the Soviet Union hopes to maintain this parity and is worried that the United States will gain military superiority by means of its "star wars" scheme. It therefore regards wrecking this U.S. scheme as its top priority. This is the real reason why the Soviet Union has repeatedly extended its halt on nuclear tests and called on the United States to do the same. TASS, too, has stated it with great clarity: "A halt to tests of nuclear weapons for use in space is a serious obstacle on the road to U.S. accomplishment of its star wars scheme." The reason the United States has adopted a hardline approach and refused to halt nuclear tests is that it has to correct imbalances in nuclear armaments, and carrying out such tests for a certain period is essential in order to maintain the reliability of the existing nuclear weapons and to research a new generation of nuclear weapons. The United States has therefore repeatedly stressed that to halt these now would not be in the security interests of itself and its allies. Of course, the United States does not want to fall into the "trap" of the Soviet demand for a test halt, which would restrain "star wars" research.

In short, the argument between "halting tests" and "being opposed to halting tests" is not an isolated affair. It is a question of substance involving U.S.-Soviet rivalry for military superiority. Hence, certain arms control experts in the West hold that the United States and the Soviet Union "simply cannot agree to sign a treaty on the all-round banning of nuclear weapons test" in the near future.

COMMENTARY ON U.S.-SOVIET CHEMICAL WEAPONS RACE

HK211518 Beijing SHIJIE ZHISHI in Chinese No 15, 1 Aug 86 pp 22, 23

[Article by Wei Kang and Wu Wei: "Another Disturbing Sign in the Arms Race"]

[Text] Just as the people of the world are greatly worried about the spiraling escalation of the U.S.-Soviet arms race another disturbing sign has emerged in the arms race: The spring meeting of the NATO defense ministers officially approved on 22 May a plan for enhancing the NATO chemical warfare capability and a plan for the United States to study a new type of chemical weapon.

At a press conference after the meeting, U.S. Defense Secretary Caspar Weinberger said that the modernization of chemical weapons "is an indispensable part of our objective of strength" and that an important aspect of the modernization program is that "we shall have binary chemical weapons." This produced an immediate reaction in the Soviet Union. In a commentary on 24 May, PRAVDA scathingly said that after becoming the "nuclear hostages of the United States" by deploying American medium-range guided missiles, Western Europe "again fell into the chemical trap of the Pentagon" at the meeting. In a statement on 30 May, the Soviet Government resolutely denounced the NATO resolution and held that it "will bring about especially harmful consequences."

There is reason for the strong Soviet reaction. As it is, the Soviet Union is enjoying a 10 to 1 superiority over the United States in the relative strength of chemical weapons. The Soviet Union has a well-trained chemical warfare force numbering 100,000 and even this figure can be expanded by 100 percent in wartime. It possesses 300,000 tons of chemical preparations for actual combat. Moreover, there are over 50 factories that produce or can produce chemical weapons in storage, such as the gas shells and gas rockets, are outdated and some have even leaked gas. Consequently, it has hardly any weapons to use today. There is no doubt that the NATO resolution will upset the current balance of forces between the United States and the Soviet Union and play a role in helping the United States seize an all-round military superiority over the Soviet Union.

Chemical weapons rely on the toxicity of chemical preparations to inflict casualties on opponents. Their power is second only to that of nuclear weapons. They can exterminate or inflict casualties on people without a protective cover over a large area and destroy ecological environment over a large area. Moreover, their antipersonnel capability can last a fairly long time. As far back as World War I, chemical weapons were manufactured and used. When used by German forces for the first time in Belgium in March 1915, they instantly left 15,000 people incapacitated and another 5,000 people dead. The number of people killed or wounded by chemical weapons in World War I was estimated at 1.3 million, and the survivors also suffered from incurable sequelae.

In view of their tremendous harm, chemical weapons have been strongly opposed from the start in all parts of the world. In 1925, 110 countries signed the "Geneva Protocol" on banning the use of chemical and biological weapons. During World War II, however, the German, Italian, and Japanese fascists again used chemical weapons. After the war, some countries still manufactured and stockpiled chemical weapons. The superpowers, in particular, possess the largest chemical weapon arsenals in the world. In some regional conflicts and partial wars, chemical weapons are still used from time to time in countries like Vietnam, Afghanistan, and Cambodia.

In the late 1960's, seeing that the United States had failed to extricate itself from the war of aggression against Vietnam while the Soviet Union had drastically expanded its strength and that the growth and decline of the relative strength of the two sides was unfavorable to the United States, then President Nixon deemed it necessary for the United States to have detente. In an effort to "create an atmosphere" for the first U.S.-Soviet summit on limiting strategic weapons to be held at the end of 1969, Nixon made a "high gesture" by announcing that the United States would stop producing chemical weapons and would not be the first to use them. In 1974, the United States signed the "Geneva Protocol" of 1925. However, since the late seventies, new changes have taken place in U.S.-Soviet rivalry for world hegemony. [paragraph continues]

Particularly since the Reagan administration took office, the United States has been rebuilding armaments in all fields in an attempt to seize an all-round military superiority over the Soviet Union. Beginning in 1982, Washington often entertained the idea of reproducing chemical weapons. At that time, however, the United States regarded the modernization of nuclear weapons as a priority and, therefore, the reproduction of chemical weapons was still at the stage of deliberation.

Things have changed over the past 5 years. In a recent article, "U.S. Defensive Strategy," U.S. Defense Secretary Caspar Weinberger bluntly asserted: "Now the United States begins to deal with the Soviet Union from a position of strength and hopefully from a relatively more powerful position of strength." Given a nuclear stalemate, Reagan has stressed a "low-intensity war" and attached importance to the development of conventional military forces. Thus, the redevelopment of chemical weapons, which come under the category of nonnuclear weapons, has been placed on the agenda. In early 1985, the United States set up a chemical weapon issue committee. It is also eager to develop a new type of binary chemical weapons, the development of which has been suspended for 17 years. A weapon for mixing two kinds of chemical material into gas, the binary chemical weapon is fatal to the nervous system. Weinberger said that it is "much safer to produce, transport, deploy, and use" this weapon, which is a trump card in chemical warfare.

The United States attaches increasing importance to chemical warfare. It has even entertained the idea of enhancing the strategic importance of chemical weapons to that of nuclear weapons. The United States wanted to step up the deployment and production of chemical weapons in Western Europe in order to "defend Europe's security." The West European allies have serious misgivings and are therefore not enthusiastic about this. Some have expressed their objections in public; some have maintained a "deliberately evasive silence"; some have stressed the need to ban chemical weapons through global talks; and some have advocated the idea of "setting up a nonchemical weapons zone in Central Europe." In spite of this, the United States has quickened its pace in this field. In July last year, the U.S. House of Representatives approved the allocation of over U.S. $100 million for the production of binary chemical weapons. Meanwhile, the United States also stepped up its efforts to pursuade its Western allies. It argument is that: Owing to its superiority in conventional weapons, the Soviet Union will very probably be able to force NATO to choose between acknowledging defeat and making a nuclear reaction in a bloodless war if only it launches a limited offensive with chemical weapons against NATO. Since NATO is unwilling to use nuclear weapons, the new binary nerve gas weapon will provide a new choice. It can be used both as a deterrent force an as a retaliatory measure. Under these circumstances, the NATO defense ministers meeting approved the resolution. The Netherlands, Norway, Denmark, Luxemburg, Iceland, and Greece expressed their reservations, while Italy expressed its qualified support.

The United States and the Soviet Union have held numerous talks on the chemical weapons issue but no agreement has been reached so far. When they met in Geneva last November, the U.S. and Soviet leaders agreed to hold talks on preventing the proliferation of chemical weapons. However, after the representatives of the two countries held talks in Bern, Switzerland, last March, American officials only said that in preventing the proliferation of chemical weapons the two parties' "keynotes were positive." World public opinion has strongly condemned the study, production, and use of biological and chemical weapons. In 1968, the issue of banning biological and chemical weapons was placed on the agenda of the Geneva 18-state disarmament talks committee. Later, the talks on biological weapons were separately held. On 28 September 1971, the Soviet Union, United States, Britain, and other countries jointly presented a draft pact on banning biological weapons which, after being recommended by the United Nations, was signed in April 1972 and came into effect in March 1975. Since 1978, the Special UN General Assembly on Disarmament has consistently regarded a ban on chemical weapons as one of the most priority topics for discussion. [paragraph continues]

However, for a long time the talks on banning chemical weapons have made little headway, the greatest stumbling block being how to verify and supervise them. Moreover, the production of chemical weapons is so closely linked to that of civilian industries that it is hard to differentiate one from the other. This also accounts for the slow progress of the talks.

'ROUNDUP' ON GROUP OF 77 MEETING IN CAIRO

OW231940 Beijing XINHUA in English 1900 GMT 23 Aug 86

["Round-up: South-South Cooperation Gains Momentum -- (by Zhang Xiaoying and Yu Yuanjiang)" -- XINHUA headline]

[Text] Cairo, August 23 (XINHUA) -- More and more developing countries have realized that it is high time now to turn the slogan of South-South cooperation into practical, substantial and operational measures of economic coordination.

This trend has been manifested at the six-day high level meeting of the Group of 77 on Economic Cooperation Among Developing Countries (ECDC), which ended here today.

In the new ECDC Cairo Declaration adopted this morning, representatives agreed to bring to a higher level the ECDC mechanisms of financing, information, research, scientific and technological network.

Another substantial resolution passed at the meeting was the utilisation of the ECDC trust fund interest of 500,000 U.S. dollars to finance those pilot projects of regional and subregional interests of ECDC countries.

The ECDC trust fund, which has a capital of 5 million dollars, will 'serve as the seed money for financing pre-investment or feasibility reports prepared by professional consultancy organizations in developing countries and facilitating the implementation of projects', the resolution noted.

A committee of six experts from Asia, Africa and Latin America will be set up to study the list of projects to be financed in.

Representatives from 77 countries attending the meeting stressed the principle of 'collective self-reliance' namely: the self-generating, self-sustaining and self-financing cooperation among the developing countries. This has reflected the growing awareness of the developing countries for self-reliance and pooling their own efforts in developing their economy.

Representatives also stressed objectives and priorities of promoting national economy of the member countries as the base for further South-South cooperation.

Though the meeting did not come to a unaminous agreement on the Global System of Trade Preference (GSTP), intiated at a meeting in Brazil last May, the Cairo Declaration stipulated that a successful conclusion of it must be framed out before May, 1987.

Nevertheless, the meeting agreed that preferential treatment will be taken in trade with the least developed countries which have fear that stronger developing countries would dump their products into their markets harming their own home industries.

Well-informed sources disclosed that more than 40 ECDC countries including Yugoslavia, Brazil and India have already agreed to implement the GSTP on specific scales and starting from specific trade items.

The meeting has successfully awakened the attention to the jointly planning utilisation of natural resources and the establishment of joint ventures.

Representatives also favoured the idea of supporting poverty-stricken African countries to implement rehabilitation and development programmes.

The reason for a stronger tie can be attributed to the slowdown in world economy in the 1980s in which the developing countries are the main sufferers of the declining prices of raw material, soaring foreign debts, natural disasters, heavy red figures, and widening trade deficits as well as economic losses due to political upheavals, civil conflicts and regional war.

'We are getting poorer, and the world economy is getting worse as far as we are concerned', said chairman of the Group of 77 Iganc Golob of Yugoslavia, 'I think everybody will have to get harder pinched before they realize they have to do something.'

At the meeting, the founding of a south bank, another practical measure to promote South-South cooperation has been discussed. However, it seemed that further negotiations have to be carried out to guarantee the benefits of the richer developing countries in the Mideast region for their investments to the proposed bank.

The issue of rocketing foreign debts have also been fully discussed at the meeting and a series of formulas have been proposed to lessen the burden of the debtor nations. But these proposals of course have to be negotiated with the creditor nations and international banks.

Closed door discussions have also been held on the strategy to promote North-South dialogue. Observers have the impression that it remains a issue to be settled for a common platform in the dialogue since a number of the ECDC member states are involved in varying degrees in political or economic alliances of certain political powers or blocs.

The progress of South-South cooperation has been clearly recorded since the founding of the Group of 77 nearly 24 years ago, and it has become the inevitable trend in the bid to change the existing international economic order in which the industrialised and developed countries have the dominant influence. However, how far and how soon South-South cooperation will develop will depend on how these countries are going to overcome the many barriers before them.

RENMIN RIBAO ON NEW U.S. POLICY ON SOUTH AFRICA

HK220614 Beijing RENMIN RIBAO in Chinese 19 Aug 86 p 6

["International Jottings" by Zhang Liang: "Weather Chart"]

[Text] In the United States today, the South African authorities have seemingly become a "popular object of contempt and denunciation". Concerning the apartheid system in South Africa's white regime, strong calls for sanctions against South Africa are being issued from the Congress successively these days, not to mention the earlier indignant condemnations and endless waves of protests from the people.

On 15 August, the Republican-controlled Senate voted by an overwhelming majority to approve a resolution on economic sanctions against South Africa, while a month earlier, the House of Representatives also passed a similar resolution by majority vote. Thus, it is difficult for the president to veto the resolutions. What embarasses the Reagan administration is that 37 of the 53 Republican senators voted in favor of the resolution. Although both the Senate and the House of Representatives have still to discuss a compromise resolution, the approval of the two resolutions is more or less a barometer which clearly indicates: Sanctions against South Africa have become an irresistible trend in the United States.

Since assuming power in 1981, the Reagan administration consistently implemented a so-called "constructive engagement policy" toward South Africa. In its opinion, such a policy could induce the South African authorities to abandon its racial segregation system. Nevertheless, 5 years have gone by, and not only have the South African authorities not shown any intention of changing this system, they have intensified their brutal repression of the blacks. Tens of thousands of black men and women have either been thrown into prison or mercilessly murdered. The acts of the South African authorities are condemned and denounced by the world. However, in the face of these cruel realities, the self-appointed guardian of human rights, the United States Government, not only desisted from criticizing, but on the other hand, made various excuses for the barbaric acts of the South African authorities. No wonder the great mass of American people are roused to voice their protests.

In the U.S. Congress today, many people have changed their positions and censured the South African authorities, forcing the government to reproach the South African apartheid regime somewhat. This would have been unthinkable in the past. However, it looks as though the U.S. Government has not given up its long aborted "constructive engagement policy". In spite of this, the latest development of the situation demonstrates the enormous strength of the American people's will as well as the aspirations of the world's people. Shouldn't the U.S. Government learn a few lessons from this trend?

SINO-AMERICAN JEEP VENTURE RESUMES PRODUCTION

OW221234 Beijing XINHUA in English 1159 GMT 22 Aug 86

[Excerpts] Beijing, August 22 (XINHUA) -- The Beijing Jeep Corporation (BJC), a major Sino-American joint venture, has resumed production after a two-month suspension because of a shortage of foreign exchange. American general manager D.L. St. Pierre said at a press conference in this Chinese capital today that the problem was solved through consultation and cooperation between the two sides. [passage omitted] BJC will speed up the pace of localization by using Chinese-made components to replace expensive American ones, he said. [passage omitted]

PRC OFFICIAL CONFIRMS JULY BORDER INCIDENT

AU221337 Paris AFP in English 1330 GMT 22 Aug 86

[Text] Moscow, Aug 22 (AFP) -- A Chinese diplomatic source here confirmed Beijing reports Friday that a "minor" armed incident occurred last month along the Sino-Soviet border but a Kremlin spokesman refused to comment.

The Chinese official confirmed reports by a Soviet source in Peking and in the Japanese press that there had been a brief clash along the border between Soviet Kazakhstan and China's Xinjiang Province. The Soviet source described it as "minor".

But the official declined to comment on the claim in the Tokyo newspaper YOMIURI SHIMBUN, that one Chinese soldier was killed and another wounded July 12 when 13 disguised Soviet border guards fired on a Chinese patrol.

Gennadiy Gerasimov, Soviet Foreign Ministry spokesman, insisted that calm prevailed on the Soviet-Chinese border. "When a problem or incident occurs it is rapidly settled on the spot. There are not currently any outstanding questions of this sort to be settled", he said, declining to be more precise.

Observers said Mr. Gerasimov made great efforts not to allow the incident to appear to be ruffling Moscow's current courtship of Peking.

Mr. Gerasimov confirmed that Soviet Vice Premier Nikolay Talyzin would pay a seven-day visit to Beijing from September 8 to assess prospects for expanding economic ties between the two communist neighbours.

KYODO Reports Confirmation

OW231119 Tokyo KYODO in English 1108 GMT 23 Aug 86

[Text] Beijing, Aug. 23 KYODO -- China officially confirmed Saturday that a shooting incident occurred along its border with the Soviet Union in the middle of July.

A Foreign Ministry spokesman said a political commissar of the People's Liberation Army border guard was shot dead but the case had already been solved.

Internal documents of the state-run XINHUA NEWS AGENCY Editorial Department revealed that the shooting incident took place on July 12 along the border in Yili Kazakh Autonomous Province of the Xinjiang Uygur Autonomous Region, a reliable Chinese source said Saturday.

The documents said Soviet border guards opened fire at three Chinese guards in the area, killing a political commissar and wounding another soldier.

The Soviets have said that Soviet guards fired at Chinese guards by accident.

East bloc diplomatic sources here Saturday denied Western reports that tension mounted along the border following the incident.

PRC Source Details Incident

HK230800 Hong Kong AFP in English 0749 GMT 23 Aug 86

[Excerpt] Beijing, Aug 23 (AFP) — A Chinese political commissar, head of an army company, was the victim of last month's shooting incident on the Sino-Soviet frontier, an unofficial Chinese source said Saturday. A Chinese soldier was also wounded, the source said.

The incident -- which occurred July 12 but only became public knowledge Friday -- happened in a semi-desert area in Yili, a prefecture in the Xinjiang Autonomous Region of northwestern China, the source said.

The dead cadre was accompanied by only a few soldiers on a routine patrol when the shots were fired, the sources said.

The Soviet Union lodged a verbal protest with the local Chinese authorities a few days later, saying the incident had occurred on Soviet territory. But China soon rejected the protest, saying it had happened on the Chinese side, the source said.

A company of Chinese troops usually numbers about 150 men, observers say.

China tried to downplay the incident, giving it only a brief mention two weeks after the fact in REFERENCE NEWS, a news digest circulated only among selected officials, said the source, who requested anonymity. Even then, the story appeared in an edition of reference news read only by top-ranking cadres, the source said. [passage omitted]

CPC OFFICIAL ON RELATIONS WITH CPSU

OW250958 Beijing XINHUA in English 0946 GMT 25 Aug 86

[Text] Beijing, August 25 (XINHUA) -- The relations between the Chinese and Soviet Communist Parties will not go back to what they were in the 1950s even if they are normalized, said an official from the Chinese Communist Party Central Committee's International Liaison Department.

China's peace and independent foreign policy dictates that China will not form alliance or develop strategical relations with any major powers of the world, he said.

The official made the remarks when answering questions posed by the magazine "FORTNIGHTLY CHAT." The full text of his speech appears in the latest No 16 issue which was published today.

He said that China sincerely hoped to improve its relations with the Soviet Union provided that the Soviets take practical steps on the Vietnam and Kampuchea issues. Before the obstacles are removed, normalization of state relations is not realistic, let alone the relations between the two parties.

The official said that the Chinese Communist Party had resumed or developed relations or contacts with more than 80 communist parties of Yugoslavia and the Communist Parties of Italy, France, Spain and other West European countries.

In addition, he said, China has established party relations of contacts with more than 80 progressive and friendly political parties and organizations of the Third World countries, which like to exchange views with China on international situation, world peace, safeguarding of the interests of Third World countries and people.

Developing such relations is conducive to enhancing state relations, strengthening friendship between peoples, and contributing to the effort to safeguard world peace and promote human progress, he said.

Answering the question why the Chinese Communist Party began developing relations with socialist, social democratic and labor parties in Europe and other regions, he said that these parties have a long history and are extensively rooted among the people.

Many of them are ruling parties or major parties not in office. They are influential both at home and abroad. They share identical or similar views with the Chinese Communist Party on international issues and are friendly to China, the official said.

The principle for developing ties with these parties is to seek mutual understanding and cooperation, transcending the ideological differences, he added.

He quoted party General Secretary Hu Yaobang as saying that "to cast aside differences and seek and develop things common -- it is established on this basis that friendship has real vitality." The same principle applies to the relations with the socialist international, he said.

The official said that party relations are of moral in nature, which is rather common internationally. We neither interfere in the internal affairs of other parties or take advantage of such relations to interfere in the internal affairs of other states or develop such relations against any third party.

YAO YILIN MEETS SOVIET PLANNING DELEGATION

OW221408 Beijing XINHUA in English 1356 GMT 22 Aug 86

[Text] Beijing August 22 (XINHUA) -- Vice Premier Yao Yilin met a delegation from the Planning-Budgetary Commission of the Soviet of the Union and Nationalities of the Supreme Soviet of the USSR here today. The delegation is led by Nikolay Ivanovich Maslennikov, chairman of the Soviet of Nationalities of the Planning-Budgetary Commission. [as received]

Yao expressed his welcome to the Soviet guests on behalf of the Chinese Government. During the two-hour meeting, both sides had an exchange of views on the economic development of the two countries. Yao hoped the delegation could get to know more about China during its visit.

Ye Lin, vice-chairman of the Financial and Economic Committee of the National People's Conference, also met the delegation. Both sides introduced the working situations of the two committees and expressed the hope that they would further promote the mutual understanding between the two countries and have more contacts.

JAPAN'S TAKEIRI TO MEET DENG XIAOPING 1 SEP

OW230743 Tokyo KYODO in English 0739 GMT 23 Aug 86

[Text] Beijing, Aug. 23 KYODO -- Yoshikatsu Takeiri, chairman of the Japanese Party opposition Komeito, arrived here Saturday for talks with Chinese leaders. Takeiri, heading an official party delegation, will stay in China until September 4.

He is scheduled to confer with China's senior leader Deng Xiaoping on September 1. Invited by the China-Japan Friendship Association, Takeiri and members of his delegation are also expected to hold talks with party General Secretary Hu Yaobang and Premier Zhao Ziyang.

TIAN JIYUN MEETS JAPANESE GROUP 23 AUG

OW231746 Beijing XINHUA in English 1427 GMT 23 Aug 86

[Text] Beijing, August 23 (XINHUA) -- Vice-Premier Tian Jiyun met here today Isao Masamune, president of the Japan-China (Northeast) Development Association, and his party.

The Japan-China (Northeast) Development Association was founded by Japanese businessmen and entrepreneurs to promote economic and technical exchanges between Japan and northeast China, which consists of the Provinces of Liaoning, Jilin and Heilongjiang, and the eastern Inner Mongolia Autonomous Region. During the meeting, Tian expressed his gratitude to Isao Masamune for his efforts in promoting economic cooperation between the two countries. Minister of Communications Qian Yongchang was also present on the occasion.

The Japanese visitors arrived in Beijing August 19 the invitation of the China-Japan Friendship Association. While in Beijing the delegation held discussions on the possibility of economic cooperation between the two sides in northeast China. They envisage port construction projects, retooling of old factories and ginseng processing. The delegation is scheduled to visit Dalian, a port city in Liaoning, after leaving Beijing.

LI PENG, WANG ZHEN MEET JAPANESE AIRLINE GUESTS

OW221048 Beijing XINHUA in English 1006 GMT 22 Aug 86

[Text] Beijing, August 22 (XINHUA) -- Vice-Premier Li Peng and Honorary President of the China-Japan Friendship Association Wang Zhen met here today a Japanese delegation from the All Nippon Airways Co., Ltd, led by its advisor Kaheita Okazaki and President Taizo Nakamura on separate occasions.

The Japanese guests said that the all Nippon Airways Co., Ltd. wishes to open air service between Japan and China, noting that the company has already obtained support from the Japanese Government and bilateral negotiations over the issue will soon take place. Li Peng said there will be no problem from the Chinese side as long as the Japanese Government supports the proposed air service and it accords with the aviation agreement reached between the two countries and is based on equality and mutual benefits.

China will support everything conducive to the contacts between the two countries, he added. Hu Yizhou, director general of the Civil Aviation Administration of China (CAAC), and Yosuke Nakae, Japanese ambassador to China, attended the meetings.

ZHANG JINGFU MEETS JAPANESE SECURITIES ADVISER

OW221052 Beijing XINHUA in English 0940 GMT 22 Aug 86

[Text] Beijing, August 22 (XINHUA) -- Chinese State Councillor Zhang Jingfu met with Masanoir Ito, senior adviser to the Japanese Nomura Securities Co., Ltd., here today. Last year Ito was invited to be an adviser to the research centre of economic management of China's State Economic Commission. He has been visited here this time to give an academic report, namely "Japan's experience in expanding export business after the Second World War and his suggestions for China's efforts to promote exports to earn more foreign exchanges". At the meeting, Zhang and Ito exchange views on strengthening economic cooperation between China and Japan.

GENG BIAO RECEIVES BURMESE WORKERS DELEGATION

OW230152 Beijing XINHUA in English 0130 GMT 23 Aug 86

[Text] Beijing, August 23 (XINHUA) -- Geng Biao, vice-chairman of the Standing Committee of China's National People's Congress, met with a delegation from the Workers Asiayone Central Body Headquarters of Burma here today at the Great Hall of the People. The delegation, led by U Pau Khan Thang, member of the headquarters' Executive Committee and deputy minister of social welfare and labor, is the first delegation sent to China by the headquarters since it was founded in 1968. It arrived here August 20 at the invitation of the all-China Federation of Trade Unions.

DPRK ART ENSEMBLE CONCLUDES LIAONING TOUR

SK230520 Shenyang Liaoning Provincial Service in Mandarin 2100 GMT 22 Aug 86

[Text] At 0900 on 22 August, amid the deafening sound of songs and drums, hundreds of literary and art workers, youngsters, and children in Dandong City gathered at the end of the Yalu Jiang bridge to warmly say goodbye to the North Pyongan provincial art ensemble that had just accomplished its friendly visit and performances in our province.

The North Pyongan provincial art ensemble headed by Kim Chang-yong arrived in our province on 28 July. During its staying in our province, the ensemble successively visited Shenyang, Yingkou, Panjin, Jinzhou, Fuxin and Dandong and gave 29 performances for audiences of nearly 40,000 people. The splendid performances have left unforgettably beautiful impression on the people in our province.

On behalf of the provincial government, Peng Xiangsong, vice governor of the province, gave a farewell party for the ensemble at the Dandong Guesthouse on the evening of 21 August. He congratulated the ensemble on its successful performances and thanked it for its new contributions to enhancing the friendship between Koreans and Chinese.

Also seeing the ensemble off at the end of the Yalu Jiang bridge were Zheng Ping, mayor of Dandong City; (Zhang Zhong), vice mayor of Dandong City; and leading comrades of the provincial Foreign Affairs Office who accompanied the ensemble on their visit to the province, including Deputy Head Zhao Ziliang.

RENMIN RIBAO ON VIETNAM'S OCCUPATION OF CAMBODIA

HK221257 Beijing RENMIN RIBAO in Chinese 20 Aug 86 p 6

[Article by Liu Zhengxue: "Irreversible Is Crazy Talk"]

[Text] The Vietnamese-planned 13th "Indochinese Foreign Ministers Conference" ended hastily in Hanoi on 18 August. During the conference, Vietnamese Foreign Minister Nguyen Co Thach, acting like a king, talked at great length about consolidating peace and stability in Southeast Asia. But when it came to the Cambodia issue, he stuck to his old, obstinate stand and asserted that the revitalization and development of Cambodia was "irreversible."

As everyone is aware, Vietnamese troops have occupied Cambodia for 8 whole years, Over the past 8 years, the Vietnamese authorities have exercised brutal colonial rule over the Cambodian people. Battles on Cambodian soil have not stopped, and fields and gardens have been laid waste. In addition, a large number of Vietnamese immigrants keep flooding in and tens of thousands of Cambodians are forced to leave their homelands. Vietnam's act of aggression has brought serious disaster to the Cambodian people and, in the meantime, is a threat to peace and security in Southeast Asia. Such being the case, what right does Vietnam have to talk about consolidating peace and stability in Southeast Asia and revitalizing and developing Cambodia?

Nguyen Co Thach's assertion that the revitalization and development of Cambodia is "irreversible" is aimed at forcing international public opinion to admit the "legality" of Vietnam's occupation of Cambodia and to allow it to decide Cambodia's destiny. This the Cambodian people absolutely will not accept. The revitalization and development of Cambodia should be carried out by the Cambodian people themselves. Not long ago, the Coalition Government of Democratic Kampuchea, out of consideration for putting an end to the miserable situation in Cambodia, put forward an eight-point peace proposal for settling the Cambodia issue by political means. This proposal, reasonable and flexible, takes the overall situation into account, will help settle the Cambodia issue fairly and by peaceful means, and is beneficial to promoting peace and stability in Southeast Asia. Therefore, most countries in the world support it. It even maintains that the Coalition Government of Democratic Kampuchea is weak and easy to bully. It has really miscalculated the situation.

Vietnam's armed aggression against Cambodia has landed it in a state of destitution. The Cambodian patriotic forces have strengthened their unity and gone deep into the hinterland to engage in a protracted war. They have won support from the people and are growing in strength. Whereas the Phnom Penh puppet regime is swaying in the midst of raging storms, puppet troops deserting and crossing over to the just side. How arrogant the Vietnamese aggressors were at the beginning of their aggression. Now the situation is turning in a direction unfavorable to the Vietnamese aggressors and favorable to the Cambodian patriotic resistance forces. This situation is irreversible because it is a law of just forces resisting unjust forces. For reactionaries going against the trend of history, what is irreversible is their final failure.

FOREWORD TO VIETNAM'S HOANG VAN HOAN'S MEMOIRS

OW212330 Beijing in Vietnamese to Vietnam 1400 GMT 18 Aug 86

["Forward" to Hoang Van Hoan's Memoirs: "A Drop of Water in the Ocean"]

[Text] The Vietnamese Revolution -- which lasted from 1858, when the French colonialists attacked and occupied Danang, to 1975, when the last imperialist stronghold of Saigon was totally liberated -- lasted 117 years. During that long period, the Vietnamese people lived under harsh imperialist oppression. It was also during that long period that the Vietnamese people resolved to fight to win back their fatherland's independence. When one movement was crushed, another emerged. When those in the front rank fell, those behind them kept surging forward. Millions of people were tortured and repressed in prisons or sacrificed their lives in combat.

Finally, President Ho, applying the principles of Marxism-Leninism to the actual conditions in our country and adopting a correct revolutionary policy, succeeded in rallying all patriotic forces of our people and in winning the sympathy of the world's progressive people. The Vietnamese Revolution reached its final objective, and Vietnam was truly liberated and reunified.

As a citizen of a country under foreign domination, in the course of seeking to understand the revolution, I was heavily influenced by elder Vietnamese revolutionaires such as Truong Cong Dinh, Phan Dinh Phung, Hoang Hoa Tham, Phan Boi Chau, and Phan Chu Trinh. Finally, educated by President Ho, I directly participated in revolutionary activities since 1926.

However, during many decades of revolutionary activities, I had never thought about of writing memoirs. During the years I worked in Hanoi, the CPV Central Committee Department of Research on Party History often reminded me to write my memoirs so as to record my activities as part of the party's activities. I did not want to write them because my contribution to our revolution is comparable to a drop in the ocean.

However, in the more than 20 years that I worked close to Le Duan, I was well aware that he was a plotter who placed his personal and factional interests above those of the nation. Particularly in the years before and after President Ho's death, I was well aware of his wicked, dangerous activities, such as usurping party power, distorting historical facts, mobilizing all forces to oppose China, and invade and occupy Cambodia -- everything that signifies betraying Marxism-Leninism, our people's revolution, and their interests and those of their fatherland. Being aware of all that, I deemed it necessary to write my memoirs.

In writing them, I mean not only to tell of my extemely small contribution to the revolution, but primarily of President Ho's lines, policies, and work in different periods of activity as viewed through a number of concrete facts. Meanwhile, I point out a number of truths in the revolutionary course that Le Duan deliberately concealed, blurred, or distorted, so that in the future, people interested in the Vietnamese Revolution can use them as a reference and will not be fooled by Le Duan's unprincipled ghost writers.

These memoirs consist of seven parts:

1. On the Road Toward the Revolution. This part was written at the request of the Office of Traditions of my native village of Quynh Doi in Quynh Luu District, Nghe An Province. It was sent to the village Office of Traditions and the Nghe Tinh Board of Research on Party History, and its contents remain unchanged except for the change of the words "Da Thai" into "To Thai" in a couplet written to pay homage to a friend's mother. This change will be explained when reference is made to the couplet in this part.

2. The Years and Months of Revolutionary Activities in Siam.

3. The Years and Months of Revolutionary Activities in China.

4. The Years and Months Before and After the August Revolution.

5. The New Tasks and the Shift to a Number of Tasks Abroad.

6. The Years and Months of Activities as a Representative of the Government and the Party Central Committee in China.

7. Vietnam's Revolution Under the Traitor Le Duan. This part reveals the truth about the process of transformation of a revolutionary into a traitor of the revolution, and its internal and external causes.

The internal cause is that Le Duan refused to transform himself in order to serve the interests of the revolution, but wanted to take advantage of the revolution to elevate his position and fame, paying no attention to the people's lives while trying to use the people's strength to turn Vietnam into a regional ruling power.

The external cause is the fact that a number of Soviet leaders, imbued with great-nation chauvinism, resorted to all kinds of maneuvers to force countries in the great socialist community and fraternal parties to comply with their line and policies. Those who disobeyed them would be criticized and their internal organization would be split. These Soviet leaders supported this group and dethroned others and sometimes resorted even to military force to exert pressure with a view to ruling the world. To this end, the Soviet leaders used Le Duan in their attempt to build a powerful military base in Indochina to oppose China and expand Soviet influence to the South Pacific and Indian Ocean.

In addition to the third part, an appendix contains my brief personal history and a number of my specific activities.

I wrote these memoirs while pondering on many other important matters. Due to the lack of original documents available only in my country and to my limited health, I could present only the major features in a brief and concise manner. Later, when I have an opportunity to find fuller reference documents and a better environment, I will write a supplement.

I wrote these memoirs to show my extreme respect and love for the older revolutionaries and all those unknown heroes who laid down their lives in the struggle for independence and social progress in Vietnam during more than a century. At the same time, these memoirs were written to show my gratitude to international friends for sympathizing with and supporting Vietnam in the struggle for national liberation.

I wrote these memoirs to show my love for an old friend who participated in the revolution since 1929-1930 and for my son, my daughter-in-law, and my three grandchildren, who are still suffering from the Le Duan clique's persecution at home.

In the course of my writing of these memoirs, I was supplied by the various organs of research on Vietnam in Beijing with a number of reference documents, including Vietnamese-language publications which they have kept; original documents of the Kuomintang on President Ho Chi Minh's activities during his stay in Liaozhou in 1942-1943, his meeting with U.S. Air Force commander [name indistinct], and his other activities in Kunming in 1945; documents on the Vietnamese-French talks in Fontainebleau in 1946 and on the Vietnamese-American negotiations in Paris in 1968-1972; and so forth. These reference documents are extremeley important. They served as a solid basis for me to put down in my memoirs clear and complete facts which, previously, I had only known roughly.

To me, this was wholehearted and very valuable assistance.

On the occasion of the publishing of these memoirs, I wish to express here my profound and sincere gratitude.

PRC ACCUSES INDIA OF MILITARY INCURSIONS

BK231254 Hong Kong AFP in English 1237 GMT 23 Aug 86

[Text] Beijing, Aug 24 (AFP) -- China accused India Saturday of carrying out military incursions into Chinese territory.

"The Indian side crossed the line of actual control in some areas in an attempt ot further nibble away at Chinese territory and create new areas of dispute," the PEOPLE'S DAILY said.

The official Communist Party newspaper said in a front-page article tht the incursions were by land and air. It did nt say where or when they occureed.

The PEOPLE'S DAILY, citing the CHINA NEWS SERVICE, said that despite frequent warnings from China, India continued to follow an "expansionist policy."

Western diplomats here noted it was the first time in several years that China has been the first to accuse India of territorial violations.

"Until now, China was satisfied with strongly rejecting Indian accusations," one diplomat said.

The PEOPLE'S DAILY also said that recent accusations by New Delhi that Chinese troops have encroached into Indian territory were "groundless."

Last month, New Delhi said Beijing had moved about 40 Chinese troops into remote Arunachal Pradesh state in June.

China strongly rejected the Indian accusations, saying that no Chinese troops has penetrated Indian territory.

That dispute came several days before the seventh round of Sino-Indian border talks opened in Beijing on July 21. Those talks adjourned without making any progress towards resolving border disputes between the two countries.

Beijing rejects the McMahon Line drawn by the British along the Himalayas in 1914 as the Sino-Indian border. India accepts the McMahon Line as the frontier between the two countries.

China claims that India illegally occupies 90,000 square kilometers (34,000 square miles) of land on the Indian side of the (15,670 square miles) on the Chinese side.

The first border talks between the two countries were held in December 1981, but little progress has been reported.

The two countries broke diplomatic relations for 14 years following 1962 Sino-Indian border clashes.

CONVICTED KUOMINTANG SPIES INCLUDE U.S. CITIZEN

OW231144 Beijing XINHUA in English 1117 GMT 23 Aug 86

[Text] Beijing, August 23 (XINHUA) -- A Kuomintang spy ring was uncovered here and four spies were recently convicted, a spokesman for the Ministry of State Security announced here today. The case was handled by the Beijing and Hangzhou Intermediate People's Courts and ruled by the High People's Courts in the two cities. Roland Shensu Loo, 67, an American citizen, was sentenced to 12 years of imprisonment, said the official.

Ning Nianci, 42, a woman engineer of the Beijing Construction Engineering Institute, was sentenced to 10 years of imprisonment and deprived of political rights for three years. Her husband, Yu Defu, 48, director of the Beijing Science and Education Film Studio, got a three year prison sentence, with political rights deprived for one year, said the official. In addition, Zhu Junyi, 43, a resident of Hangzhou City in Zhejiang Province was sentenced to 10 years imprisonment, with political rights deprived for three years.

Loo came to China in 1984 and 1985 and collected a large amount of intelligence provided by Ning Nianci and her husband Yu Defu, who covered Loo while he spied, said the official. In March, 1985, Loo came to know Zhu Junyi, and in November the same year, recruited Zhu into his spy ring. The arrests were made after careful surveillance in Beijing and Shanghai, and Zhejiang, Jiangsu and Henan Provinces, and they pleaded guilty when confronted with overwhelming evidence, said the official.

Evidence proved that Roland Shensu Loo carried out spying activities under the direction of Yang Peng (Edward Yang), a Kuomintang spy in the United States and a spy of the Sino-American Cooperation Organization, said the official. This organization, under Kuomintang and U.S. authority, maintained a concentration camp in Sichuan Province, before liberation, where 300 communists and other patriots were massacred.

Yang received special training from U.S. spy organizations before he went to Tokyo and Hong Kong to carry out his activities, later emigrating to the U.S. in 1980, said the official. Yang spied, while working as a professor at the University of California, using several names, including Yang Chongzhe, Yang Zongshan and Ning Bide. During this time he was under the direct leadership of the Taiwan Military Intelligence Agency.

Security Ministry Spokesman on Case

OW231318 Beijing XINHUA Domestic Service in Chinese 1125 GMT 23 Aug 86

[Text] Beijing, 23 Aug (XINHUA) -- A spokesman for the Ministry of State Security announced here today that state security organs in Beijing, Shanghai, and Zhejiang, Jiangsu, and Henan Provinces, after careful surveillance, have cracked a case involving Kuomintang spies from Taiwan and have arrested Shensu Loo, Ning Nianci, Yu Defu, and Zhu Junyi after obtaining a large amount of evidence on their spying activities. They were recently tried and convicted by the Beijing and Hangzhou intermediate courts. The case was ruled by the High People's Courts in the two cities.

Shensu Loo was sentenced to 12 years imprisonment; Ning Nianci was sentenced to 10 years imprisonment and deprived of political rights for 3 years; Yu Defu was sentenced to 3 years imprisonment, with political rights deprived for 1 year; Zhu Junyi was sentenced to 10 years imprisonment, with political rights deprived for 3 years.

Spy Shensu Loo, male, 67, is an American citizen from Los Angeles, Califorina; Ning Nianci, female, 42, was a female engineer of the Beijing Construction Engineering Institute; Yu Defu, male, 48, was director of the Beijing Science and Education Film Studio; Zhu Junyi, male 43, is a resident of Hangzhou City in Zhejiang Province.

According to the announcement, Shensu Loo carried out spying activities under the direction of Yang Peng, a Kuomintang spy of Taiwan in the United States and a spy of the "Sino-American Cooperation Organization" before liberation. After he fled to Taiwan, he received special training from U.S. spy organizations before he went to Tokyo and Hong Kong to carry out his activities. He emigrated to the United States in 1980 and is now a member of the Taiwan Military Intelligence Agency stationed in the United States. Yang Peng, while working as "professor" at the University of California, carried out spying activities under several names, including Yang Chongzhe, Yang Zongshan, and Ning Bide.

Yang Peng sent Shensu Loo to China in 1984 and 1985 to carry out spying activities. Used and directed by Yang and Loo, Ning Nianci provided them with a large amount of intelligence on several occasions. Not only did Yu Defu, husband of Ning Nianci, have full knowledge of Shensu Loo and Ning Nianci's spying activities, but Yu Defu also created conditions for his wife's spying activities and supplied intelligence to Ning Nianci and Shensu Loo. Zhu Junyi came to know Shensu Loo in March 1985. In November of the same year, Shensu Loo, carrying out a plan arranged by Yang Peng, went to Zhejiang in the company of Ning Nianci to recruit Zhu Junyi as a spy. Zhu Junyi also provided a large amount of intelligence to Shensu Loo.

The ministry spokesman said: This case was cracked with the support of and coordination between, the relevant departments, cadres, and the masses. Some people not only saw through Yang Peng and Shensu Loo's hypocrisy and tricks but also exposed their conspiratorial activities.

SHANGHAI CARTOONIST ON LEADERS' CARICATURES

OW231830 Shanghai JIEFANG RIBAO in Chinese 16 Aug 86 p 1

[Dispatch by correspondent Chen Pengju]

[Text] Ding Cong, a well-known cartoonist, said in Shanghai yesterday that the caricatures of two party and state leaders at the 1986 Shanghai Caricatures Exhibition contest are of historical significance. He said this when speaking to Shanghai's cartoonists at the opening of the exhibition contest.

The two caricatures that caught the people's attention were "China Card" drawn by Zhang Weiping, and "Comrade Yaobang Leads Us in Singing New Songs" drawn by A Da. It is learned that these two caricatures of party and state leaders are the first ones to be exhibited since the founding of the PRC.

Ding Cong said, these two pieces are "specially exciting." The works of A Da and Zhang Weiping have blazed a new trail. Their contribution will be recorded in history." His remarks won delighted applause from the cartoonists. As Ding Cong spoke, Hua Junwu and Jiang Fan, who had made special trip to Shanghai to watch the exhibition contest, as well as Shanghai's famous cartoonists Zhang Leiping, Te Wei, and Cai Zhenhua were listening.

The 1986 Shanghai cartoon exhibition contest was jointly sponsored by the Shanghai Chapter of the Chinese Artists Association, JIEFANG RIBAO, WEN HUI BAO, XIN MIN WAN BAO, WENXUE BAO, and MANHUA SHIJIE.

JIEFANG RIBAO ON WORKERS AND CARICATURISTS

OW231836 Shanghai JIEFANG RIBAO in Chinese 18 Aug 86 p 2

[Newsletter by JIEFANG RIBAO reporter Chen Fengju, entitled: "Workers, Caricaturists, and Leaders in Caricature"]

[Text] A Da, a man making the headlines in the 1986 Shanghai Caricature Contest and Exhibition, was given a rousing welcome at the Hudong shipbuilding yard yesterday. Workers told him: "Thank you for portraying the leaders in your caricatures. They have shortened the distance between the leaders and us. Wearing glasses, A Da had a plump figure. He was all smiles when he heard the workers' remarks.

A Da visited the Hudong shipbuilding yard together with a dozen other caricaturists including Hua Junwu. At a forum, the representatives of workers and cadres noted the tremendous response in the shipbuilding yard that had been evoked by the pictorial section of a JIEFANG RIBAO edition a few days ago which covered the Shanghai caricature contest and exhibition. After learning that the majority of workers had shown understanding and enthusiasm for the two caricatures of leaders, caricaturist Ding Cong could not help but turn around and tell A Da: "Look, there are so many workers who understand and support you. How good it is!"

Hua Junwu, vice chairman of the Chinese Artists Association, also spoke highly of the bold exploration made by A Da and others. He said: "These caricatures are good. This is a commendable breakthrough, and an excellent beginning!"

"I too do not understand how I can become a man in the news all of a sudden. I must thank the favorable situation for this." This first remark made by A Da evoked a hearty laughter among those present. However, he himself calmly narrated his "adventurous experience" as if nothing happened. He said: About a year ago, Comrade Lin Fang wrote some articles on the subject: "Caricature and Democracy." These articles had made him, a person who "had always loved to draw portraits in caricature," eager to try something. In November last year he published a caricature entitled: "Premier Zhao Clinks Glasses With the United Nations" in MANHUA SHIJIE [Caricature World]. He kept on publishing one caricature after another after that. In MIN ZHI YU FAZHI HUA BAO [3046 0031 5280 3127 0455 3973 1032 DEMOCRACY AND LEGAL SYSTEM PICTORIAL], he published caricatures portraying Deng Xiaoping, Hu Yaobang, Deng Yingchao, Peng Zhen and other leaders one after another. "At that time there was not much response. But this time the caricatures were carried by JIEFANG RIBAO. The response was so tremendous that it really surprised me," A Da added. Ding Cong burst into laughter, saying: "I did not realize that you had been thinking about this for such a long time!" A Da nodded and said yes.

On the composition of the caricature: "Comrade Yaobang Leads Us in Singing New Songs", A Da said: I am extremely pleased with the gesture and movement of the character in the caricature. They show that the person is full of passion, vigor and optimism. I had made several drafts for this caricature, but this one is more 'caricatural' than the others. However, I do not know Comrade Yaobang well. I made this caricature mainly by relying on photographs and TV pictures.

CPC DEPUTY PROPAGANDA CHIEF ON PRESS REFORMS

HK221458 Beijing RENMIN RIBAO in Chinese 20 Aug 86 p 3

[Report: "Teng Teng, Deputy Director of Propaganda Department of CPC Central Committee, Speaks on Press Reforms"]

[Text] According to today's ZHONGGUO BAOKAN BAO [CHINESE PERIODICALS JOURNAL]; speaking at the national provincial papers' editors in chief seminar, Teng Teng, deputy director of the Propaganda Department of the CPC Central Committee, said: The domain for press reforms is very vast. The press people should free their minds and dare to innovate. What the newspapers publish and do not publish should henceforth be decided by the newspaper offices themselves. Party committees at all levels should improve their leadership over party papers and give the newspaper offices a free hand to carry out press reforms in order to bring into full play the party papers' role as ears and mouths.

This seminar was held in Harbin from 9 to 15 August. Everyone agreed that since the 3d Plenary Session of the 11th CPC Central Committee, party newspapers have achieved definite results in press reforms. However, owing to the influence of old thinking and patterns, there are still problems that await examination and resolution, and they are mainly the following: Some party committees and leaders are not good at managing and operating newspapers according to press regulations and at times make things very difficult for the newspaper offices with their stringent controls; influenced by the "rather 'left' than right" ideology prevalent during the "Cultural Revolution," the newspaper offices "set up their own gods" and self-imposed many "restrictions," resulting in lifeless-looking papers; one-sided understanding of the party papers' role as eyes, ears and mouths, and negligence of propaganda effect, covering the front page with conference news which makes it unappetizing to the readers; the newspapers depend mainly on "old ways" for circulation and thus lose out in the growing competition in the press business.

At the seminar, the editors in chief reviewed Comrade Hu Yaobang's talk about journalism last 8 February. They believed that in order to intensify press reforms, it is necessry to ascertain that the socialist nature of party papers will not change. Under this premise, it is necessary, on one hand, to emphasize that party committees at all levels handle matters according to press regulations, take note to continuously improve and strengthen guidance over newspaper work, be "enlightened", and refrain from too much intervention. They should encourage everyone to make bold explorations and thus create a relaxed and harmonious environment. On the other hand, it is imperative to stress that newspaper offices emancipate themselves and dare to break away from old ideas and patterns. They should not be obsequious to superiors or to dogma, but should renovate paper layouts and make the newspapers the good teacher and helpful friend of the readers.

Editor Discuss Needed Reforms

HK220945 Beijing RENMIN RIBAO in Chinese 19 Aug 86 p 1

[Report by XINHUA reporter Zhang Chijian [1728 2170 1017]: "Provincial Newspaper Editors Hold Forum Under the Auspices of the CPC Progaganda Department"]

[Text] Most of the more than 30 newspaper editors in chief in provinces and municipalities across the country are not quite satified with their own newspapers and think that their newspapers are not in keeping with the siutation of reform and opening up. At a forum of provincial newspaper editors in chief hosted by the CPC Central Propaganda Department, the participants placed their hopes in journalistic reform to improve their newspapers.

The forum was held in Harbin. The editors in chief held that in order to keep in line with the situation of reform and opening up, it is imperative to increase the volume of information and extend the coverage scope. In particular, the seething creative activities of the broad masses of people in the four modernizations should be fully reflected in newspapers, so that readers will be enlightened and encouraged and will plunge themselves into the streaming current of reform. Therefore, great efforts should be made to cut general information, improve and reduce reports on meetings, and reduce reports on general activities of leading cadres so that newspapers will be vigorous and full of vitality.

The editors in chief also put forward that newspapers should reflect more about the demands and wishes of the masses. The masses of people are the masters of our country and newspapers should become places where they can air their views, discuss questions, put forward remarks on contending topics, and make explorations. In this way, the party will be able to better understand the thinking of the masses and newspapers will be immersed in an atmosphere of democracy, acting as a bridge between the party and the masses.

The reform of newspapers should first of all depend on the newspaper's staff. The editors in chief held that editors and reporters should further emancipate their minds, study harder, improve their qualities, and conscientiously, energetically, and creatively engage in their work. Besides, party committees at various levels should follow the laws of journalistic work, strengthen and improve leadership over the party's newspapers, and create a favorable environment for reforming newspapers. The broad masses of readers should also change outdated notions in reading newspapers, and show concern and give support to the reform of newspapers.

Teng Teng, deputy head of the CPC Central Propaganda Department, also attended the forum. While in discussion with the editors in chief, Teng Teng said that the reform of newspapers should progress in the course of exploration. He hoped that editors and reporters would raise their theoretical and professional levels and, in the new historical period, make the party's newspapers more readable, reliable, and closer to the readers and become the readers' bosom friends.

HU YAOBANG ON MAO, LIN BIAO IN NEW FILM

HK240728 Hong Kong TA KUNG PAO in Chinese 24 Aug 86 p 3

["Special Dispatch": "Hu Yaobang Discusses Filming the Three Great Campaigns"]

[Text] China has planned to present on the screen the famous "three great campaigns," namely, the Liaoxi-Shenyang campaign, the Beijing-Tianjin campaign, and the Huaihai campaign, which took place during the War of Liberation. The writing group for the three great campaigns has already been formed. Hu Yaobang, general secretary of the CPC Central Committee, gave specific instructions to the group on creation of the work.

Issue No 7 of SCREEN carried Hu Yaobang's speech.

Lin Biao's Achievements and Errors

The writing group said: At first we hesitated about Lin Biao's appearance in an artistic work. Now that he can appear in the film, how should he be depicted? In our opinion, we should acknowledge both his merits and mistakes. During the Liaoxi-Shenyang campaign, he made two mistakes. Lin Biao wavered and inclined to the right. In addition, he refused to carry out Chairman Mao's strategic plan and instruction on advancing south to Beijing and Liaoning and attacking Jingzhzou. When Chairman Mao and the Central Military Commission sternly criticized him, he changed his idea and scored successes in directing the campaign. Is it right to depict Lin Biao by using the method of one dividing into two?

Hu Yaobang replied: Yes. It is right. But his ugly characteristics should not be described in detail and he should not appear too much on the screen. He can appear on certain occasions in the Liaoxi-Shenyang campaign. The Beijing-Tianjin campaign, which took place later, was actually conducted by two field armies with the cooperation of Nie Rongzhen from the Shanxi-Chahar-Hebei area.

You should also write about the 1 million carts which followed the 4th Field Army southward. The momentum of the 1 million carts carrying army provisions manifested the enormous support of the masses. Some 2-3 million people took part in transporting ammunition, grain, and fodder for the Army with 1 million carts. The northeast had an abundance of large animals. The story manifests the strength of the people.

The writing group said: There is a question concerning the description of the international background. For example, the United States supported the Chiang Kai-shek regime, but during the three great camapigns, it blamed Chiang Kai-shek for personally taking command and making arbitrary decisions and intended to remove him from office.

Hu Yaobang said: You can write something about the United States. If the United States is not mentioned in the war, it would not tally with the historical facts.

The Scenario Need Not Be Sent to the Higher Authorities for Examination

The writing group said: There is a question concerning the examination of the scenario. According to the decision of the Secretariat of the CPC Central Committee, the scenario of the three great campaigns, which is a significant theme, should be sent to the Secretariat of the CPC Central Committee for examination...

Hu Yaobang said: Not definitely. The film "Descending Zhongshan in a Storm" was not submitted to us for examination. A work should show its sober self and be examined in a calm manner. You can clearly tell whether it is good or not. How many persons are included in the headquarters?

They answered: The five secretaries of the headquarters are Mao (Zedong), Li (Shaoqi), Zhou (Enlai), Zhu (De), and Ren (Bishi).

Hu Yaobang said: The five secretaries -- Mao, Liu, Zhou, Zhu, and Ren -- were united and they discussed matters together frequently. Democratic life was normally maintained at that time and unity of thought had to be reached on all major issues.

You should portray the inner world of Chairman Mao. Instead of practicing apriority, Chairman Mao conducted investigations and studies. He adapted himself to changing conditions and acted according to circumstances. Chairman Mao never stopped thinking even when he was walking. Besides eagerness to learn, he pondered problems again and again. When he could not get his thinking straightened out, he would lose his temper. When a problem was solved, he would joke with you humorously. He would lose his temper if anyone disturbed his train of thought. When he was thinking about the question of whether we should dispatch troops to Korea or not, he remained silent and did not shave for a whole week. Chairman Mao did not shave off his beard until he straightened out his thinking, held a meeting, and reached a common understanding.

Mao Zedong Loses His Temper

Chairman Mao lost his temper when someone disturbed his train of thought. When he was thinking about a problem, he would get angry if disturbed by anyone or an incoming telegraph. If his thinking straightened out, he would smile, eat, dance, and joke with you humorously. But he would go back to his thinking after 2 or 3 days. He would concentrate on thinking through problems again. Chairman Mao had an active character. Naturally, a person's character can be exaggerated a bit. However, we should also take note of the things that are militarily, strategically, and politically valuable.

RENMIN RIBAO ON CORRECTING PARTY STYLE

HK220758 Beijing RENMIN RIBAO in Chinese 20 Aug 86 p 1

[Commentator's article: "Comment on Xinhe County's 'Painful Experience'"]

[Text] By investigating and dealing with cases and resolutely curbing evil practices, Xinhe County in Nei Mongol Autonomous Region has greatly improved its party style. Both the regional Discipline Inspection Committee and leading comrades of the Central Discipline Inspection Commission have highly evaluated it. [paragraph continues]

However, with the improvement of party style, comrades in Xinhe County are now experiencing something painful: Some professional departments at high levels, the departments in charge of money and goods in particular, have come to the county less frequently. Meetings which should have been held in Xinhe County and funds which should have been done for the county were not done. Consequently with the improvement of party style, Xinhe county is now having a hard time.

Why is it a "painful experience?" Such things as cancelling the allocation of funds and refusing to do things for the county without giving notification have left no trace of putting up obstacles. So Xinhe County "is compelled to suffer in silence." The reason is that with the improvement of party style in the county, there will be no extravagance, no dinner parties, and no gifts. So the county is deprived of what it should have.

Rapid improvement of party style is an example. At present, examples should not get along by their fame and ask for this or that from higher authorities just as some examples did in the past. They should do everything in an upright way and have an unyielding spirit. It seems that Xinhe County has an unyielding spirit. After the county was hit by natural disaster, people in the county donated their own money and grain to help disaster areas. They also raised funds for developing construction projects. The units which have greatly improved party style are the party's good sons, not abandoned babies on the roadside, so how can some professional departments at higher levels disregard them? Is it fair? If so, who will be willing to correct party style?

From Xinhe County's painful experience, we can see that some people have assumed an ambiguous attitude toward correcting party style. They pay lip service to criticizing evil practices, but like such evil practices at the bottom of their hearts. When party style is corrected, and no good wine and food are served, no gifts are given, and no benefit can be taken, they disappear. Xinhe County is not the only case. Wherever there are evil practices, visitors come and some even go a long way to take benefit. Wherever party style is corrected, visitors are few and far between, and even immediate superiors are unwilling to visit. This reminds us that not everybody really likes correcting party style and that there are indeed some people who treat evildoings as good things. This is exactly the problem which should first be resolved in correcting party style.

Xinhe County's painful experience also tells us: Correcting party style is a systematic work, which is not the undertaking of an individual at one time and in one place, but the undertaking of the whole party. It involves many aspects and calls for overall work. Party style should be corrected at both high and low levels and in all units. If we are content with grasping one or two examples and with summing up some experiences, but cannot bring about an overall improvement of party style, and cannot improve party style in most areas and units simultaneously, our work is far from successful, and the good examples in correcting party style cannot last long.

The CPC Central Committee proposed that party style should be corrected resolutely and protractedly. The short term requirement is to spend 2 years seriously grasping improvement of party style. It appears that we should not overestimate our results in correcting party style. Only when the units which have corrected party style do not have painful experiences similar to Xinhe County's can we say great results have really been achieved in correcting party style.

RENMIN RIBAO COMMENTATOR ON OPEN POLICY

OW241854 Beijing XINHUA Domestic Service in Chinese 1408 GMT 24 Aug 86

[RENMIN RIBAO 24 August Commentator's Article: "Advance Against Pounding Waves"]

[Text] Beijing, 24 Aug (XINHUA) -- The policy of opening to the outside world has made us sail out of the harbor and enter a turbulent ocean of world civilization. Surging tides roar toward us, and become huge shock waves.

In face of these pounding waves, what is our situation? Guangzhou is in the forefront of the area open to the outside world. It really bears the brunt. The information brought in by our reporter from Guangzhou is a typical example. It indicates: Our country and people are able to withstand the pounding from outside, and the socialist system has not been built on sand. It will never collapse when it is battered. It has ample inherent vigor to counter all challenges.

This kind of inherent vigor can only be excited in the course of opening the country to the outside world, and can only appear in the course of withstanding the pounding by waves. On the other hand, the open-door policy also gives us the strength to withstand the pounding. The two aspects cannot be separated. It should be said that this is a very meaningful phenomenon. It is the original dialectical reflection of things. Why are we pounded in the course of opening ourselves to the outside world? The reason is: We were too closed in the past. We lack the tempering and the minimum immunity we need. The pounding brought in by the open policy has made us more sober-minded. We have realized our own weaknesses and deficiencies after failing initially to exert ourselves in resisting such pounding. We have thus carried out the appropriate reforms. This kind of sensible attitude is precisely why we are able to withstand any pounding. Overall reform itself is the fundamental method in strengthening the socialist system. The open policy promotes reform, and only by making reform will it be possible for us to withstand the storm brought in by the open policy. The report from Guangzhou has proven this point.

Due to the superiority of the socialist system and the display of the superiority of socialism as a result of the reform, the pounding from outside is unable to shatter us. It may even be used by us to become a force to push the ship of socialism forward. In the course of making reforms, we are able to learn what is advanced in economic development and in technology. At the same time, we are able to draw on what is healthy and useful from Western culture. If all this should be considered as a pounding too, then it is the kind of pounding which pushes us forward.

In fact, it is precisely against this kind of pounding of waves that China has been advancing in modern times. The open policy adopted at the end of the Qing Dynasty was one of humiliation which was announced under the attack by the naval guns of the imperialist powers. Even under this kind of situation, the open policy also gave a new lease on life to our country caught up in a deep sleep. The Western learning that had been passed on to the East as well as the influence of the Western culture and civilization had failed to destroy the ancient civilization of the East. They had filled it with a new life. The import of advanced ideology and technology from the West had naturally pushed China's historical process slowly forward.

Even the so-called "spiritual opium" had also brought about results that the missionaires had not expected. It had become the banner of the Taiping Heavenly Kingdom to call on the people to oppose imperialism and feudalism. Later, Marxism had spread into the country.

It is like the rising sun, while the open policy in the past should be regarded as the grey dawn in the east. In the 80's of the 20th century, our socialist system is as firm as a rock and the initiative of historical development is held firmly in the hands of the party and people. What are we afraid of in the efforts to take the initiative to actively and constructively open the door to the outside world?

A modern scientific theory tells us: The internal disorder of a closed system keeps increasing, but the contrary is true of an open system. This theory has been successfully applied to the study of social status. Marxism itself is an open theoretical system. The secret of its ability to retain its youthful spirit continuously is right here. Things will become ossified with the door closed, while flies may be let in when opening the door as will fresh air. Do living beings allow the flies to eat themselves away? It is only the putrid corpses that are the captives of flies. The rotten sampan half-trapped in the sand along the shore will be shattered by the pounding waves. Did the wheel of socialism successfully withstand the 8th-grade storm? The pounding by waves is a stimulus and a challenge. It may frighten people and excite them; however, it also conveys a message that makes people wise and rich in experience. Practice indicates: We may not only develop socialist material civilization by opening the country to the outside world, but also develop socialist spiritual civilization by opening the country to the outside world. In the course of developing socialist spiritual civilization, we can not only combat the negative and harmful factors brought in by the open policy, but also draw on what is healthy and useful from Western civilization. We can not only withstand the pounding, but advance against the pounding waves. History has already proven this point. The report from Guangzhou only provides us with another example.

LI JIJUN ON NEW STAGE OF PLA MODERNIZATION

OW241230 Beijing XINHUA Domestic Service in Chinese 0731 GMT 23 Aug 86

[By reporter Xu Jingyao; Beijing XINHUA Domestic Service in Chinese at 1505 GMT on 23 August carries a "public notice" requesting that the following item be "put off temporarily."]

[Text] Shijiazhuang, 23 Aug (XINHJUA) -- At a time when we are carrying out the PLA's structural reform, historical changes have taken place in the Army as field armies are being transformed into army corps.

This reporter recently visited a mechanized army corps -- the first for the Chinese PLA -- stationed somewhere in North China. I got the impression that professional and technical arms have become the backbone of the Army and that gone forever are the days when the infantry consisted mainly of foot soldiers. Right now, there is one specialist or technician in every two soldiers, and foot soldiers only account for about one-fifth of the men. The history of this army corps can be traced to the time when our Army was first born. Such changes epitomize the Army's modernization and standardization program. The Army which consisted mainly of foot soldiers in the past, is now composed of infantry, artillery, armored and air forces, signal, antiaircraft, antichemical and engineering units as well as corps specializing in electronic warfare. It covers more than 370 fields of science and technology with laser, radar and metërorological equipment, and computers. It also must master more than 200 different types of techniques.

On a military exercise field today, this reporter witnessed a magnificent view of soldiers. They no longer wear thick Army shoes and march on foot. They ride in armored cars. On the average, there is one motor vehicle, armored carrier, or a tank for every six soldiers. This means that our troops can maneuver four to six times faster than before. In carrying out reconnaissance activities, we no longer rely on capturing enemy soldiers to get information, but use radio, radar, aircraft, and other modern weapons. In fighting, we no longer rely on rifles and artillery only. In the air, we use electronics equipment to interfere with enemy radar and radio stations and destroy the enemy's command system. From the air, the air force of the army supports the ground forces. On the ground, a large number of tanks are used for offense and defense. In addition, a computer system is used to command and coordinate all operations -- ground or air -- with large-caliber artillery pieces and missiles providing the bulk of the army corp's firepower.

The Army Corps is PLA's new form of military operation in the course of carrying out its structural reform. It may carry out tactical as well as strategic operations, while it may also engage in military operation on orders from higher authorities or fight campaigns independently. With regard to military training, the emphasis has been shifted from the training of a single arm to the training of a compound army, from infantry training to technical arms training, and from tactical training to military training aimed at fighting a whole campaign.

Li Jijun, commander of the army corps, said: The Central Military Commission has decided to transform the PLA's field armies into army corps capable of fighting compound warfare. This transformation is aimed at increasing the Army's ability to respond to emergencies and improving the Army's weapons and equipment. All this has shown the correct direction for Army building and indicated that our Army has entered a new stage in realizing its modernization program.

YU QIULI ADDRESSES PLA LITERARY PRIZE MEETING

OW241245 Beijing XINHUA Domestic Service in Chinese 1300 GMT 23 Aug 86

[By reporter Li Xiuqing]

[Text] Beijing 23 Aug (XINHUA) -- The second award meeting of the "PLA Literary and Arts Prize" was held today in Beijing. A total of 57 writers and artists and 37 pieces of literary and art works won prizes. Except for a few known writers and artists, 80 percent of the prize winners are young people both in and out of the Army. This vividly shows that China has ample talent in writing and creating literary and artistic works with military themes. Some 1,000 commanders and fighters as well as literary and art workers in Beijing warmly applauded when the winners proceeded to the rostrum amid light music.

Yu Qiuli, director of the PLA General Political Department as well as director of the judging committee of the literary and arts prize, spoke. He said: Creative literary and artistic works with military subjects have developed greatly in recent years. They have been graphically used to educate troops, youth, youngsters, and the masses in patriotism, revolutionary heroism, socialism, and communism. He continued: People need art, art needs the people more. We are now living in a time of great changes. Fresh things and the latest events in daily life need writers and artists to inquire into them. He hoped that writers and artists would plunge into life and create more and better spiritual food catering to the Army's rank and file and the masses.

On behalf of the China Federation of Literary and Art Circles and the Chinese Writers' Association, Jiang Xiatian and Feng Mu delivered messages of greeting. Attending the award meeting were Zhu Houze and Gao Zhanxiang; responsible persons of the PLA General Staff Department; the PLA General Political Department; and the PLA Logistics Department including He Qizong, Guo Linxiang, Zhou Keyu, Zhou Wenyuan, Cho Nam Qi; and responsible persons of branch associations of the China Federation of Literary and Art Circles.

YANG SHANGKUN, OTHERS VISIT PLA TRADE FAIR

OW250132 Beijing XINHUA Domestic Service in Chinese 1347 GMT 23 Aug 86

[Text] Beijing 23 Aug (XINHUA) -- A "Joint Export Commodity Trade Fair" sponsored by new and developing companies ended today. Contracts signed with buyers from many countries and regions amounted to more than U.S. $40 million, doubling what had been anticipated.

Products displayed at the trade fair were mainly those manufactured by military-run enterprises, including various agricultural and sideline goods produced by soldiers carrying out the Nanniwan spirit as well as high-technology products of units engaged in space technology research. Among the products, many were well-known at home and abroad. Products such as hops, licorice roots, and leather produced by PLA Xinjiang unit farms were very popular among foreign businessmen. There were also many newly developed products with potential for further development.

In recent years, military-run enterprises, farms, and stud farms have rapidly developed the production of civilian commodities; quality of these commodities has also constantly been improved. Presently, civilian goods production accounts for half the total output value of military-run enterprises. The "Yuexian" brand electric fan manufactured by a Navy-affiliated plant has been named one of the top three electric fans by the quality inspection department of the State Economic Commission. This plant signed contracts with foreign buyers for the export of 60,000 fans at the trade fair.

During the 10-day trade fair, there were 15,000 daily visitors. Yang Shangkun, vice chairman of the Central Military Commission; Yu Qiuli, Yang Dezhi, Hong Xuezhi, deputy secretaries general of the Central Military Commission; and others viewed the exhibits on display with great zest. They encouraged the participating units to make persistent efforts to further develop production of civilian goods. Also visiting the trade fair were Ngapoi Ngawang Jigme, Zhou Gucheng, Yan Jici, Ye Fei, Liao Hansheng, Kang Keqing, and others.

Fair Closes 23 Aug

OW231731 Beijing XINHUA in English 1405 GMT 23 Aug 86

[Text] Beijing, August 23 (XINHUA) -- Contracts worth 40 million U.S. dollars were signed between China and firms from several dozen countries and regions at a defense industry export fair which closed here today. This more than doubled the targetted amount, an organizing official said.

On display were 5,000 commodities in the range of medical equipment, electronic products, machinery, chemicals, clothing and foodstuffs, as well as farm and sideline produce, produced by 500 firms, including 400 factories belonging to the People's Liberation Army. Altogether, 150,000 people, including senior Chinese Army and government officials, visited the ten-day fair.

LIAOWANG ON CHINA'S DEVELOPMENT STRATEGY

HK230816 Beijing LIAOWANG in Chinese No 32, 11 Aug 86 pp 24-26

[Article by Zhang Zhenglun: "Growth Does Not Mean Development -- Rethinking and Inquiring Into our Country's Development Strategy"]

[Excerpts] The question of development is an important problem which the governments of countries the world over and their brain trusts are very concerned. [passage omitted]

I would like to discuss our country's development strategy.

From the Second 5-year Plan following the completion of the three major transformations to the 3d Plenary Session of the 11th CPC Central Committee in the last few years of the 1970's, that is, in the more than 20 years between 1956 and 1958, our country stressed that agriculture was the foundation of the national economy, but it adopted, by and large, the traditiional development strategy of giving prominence to a high growth rate and high accumulation rate (low wages) and emphasizing industrialization. Of course, it changed its development strategy a little in the last few years of the period. In the 1950's when we were blockaded by imperialists, our strategy seemed to be summarized as "closing the country to international intercourse, centralizing management, stressing growth, and preparing to fight in a war." Stressing growth means pursuing a high growth rate and preparing to fight in a war means shifting the focus of our work to construction of the third line. In rethinking such a development strategy, we find that many problems have to be analyzed, studied, and summed up from a historical point of view.

The "flexible strategy" which is adopted in other countries stresses that growth does not mean development; the key to the problem lies in enhancing the poeople's living standard. We should use the strategy as reference. However, the viewpoints of only developing practical technology, intermediate technology, and labor-intensive industry stressed by the strategy are unacceptable to us. If we agree with these points of view, how can we achieve our modernization? Apart from developing practical technology, we should concentrate our financial capacity, material resources, and manpower on tackling key scientific and technological problems arising from economic construction and social development. Meanwhile, we should strive to score successes in the spheres of new and high technology so as to create conditions for basing our national economy on advanced technology.

Many viewpoints in the "strategy for excessive growth" are believed to be very useful for our reference when we prescribe our development strategy. However, some viewpoints in the strategy are too exaggerated, and we cannot agree with them. For example, one viewpoint regards that microelectronics, biotechnology, oceanograpohic engineering, new materials, and new energy sources are all "sunrise industries" which have great vitality, but the steel, machine-building, chemical, and mining industries are all "sunset industries," which will be eliminated. [paragraph continues]

Such a viewpoint is incompatible with the present reality of our life. Even Professor Lake, a policy-making expert at Harvard University in the United States, holds: "What Americans are interested in is not to make a choice betweeen sunrise and sunset industries, but to use sunrise technologies to transform sunset industries."

In 1983, the growth rate of investment in traditional U.S. industries was 15.6 percent for the first time in the past 20-odd years. This fact fully demonstrates that the more the revolution of new technology is spurred, the larger the investment in fixed assets of traditional industries is. The same is true of the fact that agriculture in an industrial society is more developed than that in an agricultural society. In the future information society, industry will become more developed and will work with higher efficiency. In an appeal to the Japanese Government, Japanese scholar Shige Taniseiichi warns: "The Japanese Government should by no mean rush into developing integrated circuits like a swarm of bees. The annual output value of robots, a product of new technology, totals Y80 billion but cannot catch up with that of soy sauce paste. meanwhile, the annual output value of integrated circuits packages amounts to Y600 billion but cannot reach that of bread." In his "Report Forecasting the Japanese Market Capacity in 2000," Japanese scholar Osamu Yataka points out: "The Japanese market capacity in the next 20 years will be limited to Y260,000 billion and the gross output value of nine major new technologies will not exceed 30 percent (the gross output value of microelectronic products will not be over 10 percent). Therefore, the main force spurring Japan's national economy in this century remains traditional industries and not new technology."

Thus, we must stress: High technology industry cannot replace traditional industries for the time being and the former should somewhat depend on the latter. Therefore, we should not regard traditional industries as "sunset industries." Our country should particularly study how to transform our traditional industries by means of new technology, gradually increase the proportion of new industries, make efforts to develop the tertiary industry, and properly readjust the structure of production. First and foremost, we must readjust our investment structure. For example, we must increase the investment in energy, transport, communications raw materials, and other industries while appropriately increasing the investment in agriculture and scientific and educational undertakings. At the same time, we must take appropriate measures to produce investment in the processing industry and check the increase of investment in nonproductive construction so as to invest more in technological transformation and the expansion of the existing enterprises.

In short, the key to smoothing out problems in the national econmy lies in progressively ratioinalizing the structure of production. To achieve this, we must implement the principle of giving priority to development by intensive means so that the strategy for our country's development will be more compatible with the conditions in our country and will be more scientific.

WAN LI INSPECTS IMPROVEMENTS DURING NINGXIA TOUR

OW240522 Beijing XINHUA Domestic Service in Chinese 1316 GMT 22 Aug 86

[By Central People's Broadcasting Station reporter Pan Mengyang and XINHUA reporter Ma Yuqi]

[Text] Yinchuan, 11 Aug (XINHUA) -- During his inspection in the Ningxia Hui Autonomous Region 20-21 August Wan Li, member of the CPC Central Committee Political Bureau and State Council vice premier, hailed the gratifying development in the region's mountainous areas.

He urged the people in the impoverished areas of the region to step up the fight against poverty by planting grass and trees, developing animal husbandry, and transforming mountains and rivers.

On the morning of 20 August Wan Li, accompanied by Li Xuezhi, secretary of the Ningxia Hui Autonomous Region party committee, and Hei Boli, chairman of the regional government, inspected Xiji, a hilly county in southern Ningxia, by a helicopter. Wan Li said to them: "You have done a good job in intercropping trees and grass and harnessing river basins, little by little. The barren hills must be afforested." During the past 4 years the county afforested and seeded over 1.5 million mu of hilly areas, thus improving the county's ecological environment and solving the local people's needs for fuel and feed. The people in the county also recovered over 900,000 mu of cropland into woodlands and pastures. Although the size of cropland has shrunk, both the food output and the peasants' income have increased.

Wan Li and his party also made an aerial inspection of the Guyuan-Haiyuan Pumping Station in arid Tongxin County. This large irrigation project, which was started in 1978, now diverts water from the Huang He to irrigate 700,000 mu of land in Zhongning, Tongxin, Haiyuan, and Guyuan Countries and a state farm and provides drinking water to 250,000 people and some 500,000 head of livestock. Trees, croplands, new houses, and new villages are along the conduits. According to the autonomous region's leading comrades, those places used to be deserts, but production has quickly developed and the peasants' income has increased substantially because of the completion of the pumping station. To help, the impoverished areas will be developed on the vast deserts during the Seventh 5-Year Plan, utilizing the water resources of the Huang He. In this way, they said, the river and the hilly areas will benefit each other. Wan Li said to the comrades of Ningxia: "You have done the right thing to relocate the most improverished families from the hills to developable areas where they can build houses and villages and plant grass, trees, and food crops. The project of developing new irrigations zones and utilizing the resources of the Huang He should be intensified."

At noon Wan Li's plane touched down in Zhongwei County, located at the southern tip of the Huang He Irrigation Zone. Soon afterward he went to Shapotou by automobile to inspect the world-famous desert control project there and visit those who have achieved outstanding successes in harnessing sandy areas. Wan Li highly evaluated the nation's scientists, workers, and peasants for their successes in harnessing deserts by planting square grass plots ahd windbreaks.

Comrade Wan Li arrived in Yinchuan on the afternoon of 21 August. When he inspected Yinchuan in July 1984 Wan Li proposed: "Ningxia is a region inhabited by national minorities -- urban construction here should have nationality characteristics." This time he was glad to see the many new buildings with ethnic features built in Yinchuan. He pointed out: "Small wooded areas are essential for urban beautification. Unused land should be utilized or leased out for growing flowers or cultivating young trees. On the morning of 21 August Comrade Wan Li departed Yinchuan for Beijing by plane.

Comrade Wan Li arrived in Ningxia via Gansu after attending the Third National Sports Meet of Minority Nationalities, held in Xinjiang. During his stay in Gansu, Comrade Wan Li inspected the primitive forests of Mount Xinlong in Yuzhong County; the water conservancy project in Shijiacha, located in Changkou Township in Dingxi County; and the Baicaoyuan Irrigation Zone, located between Jingyuan and Huining Counties, which utilizes water from the Huang He. Wan Li praised these places for having done "a fairly good job."

WAN LI LAUDS SHANDONG OCEANOGRAPHY COLLEGE WORK

OW230351 Beijing XINHUA Domestic Service in Chinese 0635 GMT 22 Aug 86

[By reporter Yin Jianhua, Liu Deyu]

[Summary] Qingdao, 22 Aug (XINHUA) -- In the past 8 years, Shandong College of Oceanography made some 100 important achievements in scientific research, 39 of which were awarded by the state, the ministry, or the province. Many of these achievements have been used in production.

The college's marine medicine laboratory has extracted brown algae gelatin from kelp and has used it to make medicine and health food. "Recently, Comrade Wan Li visited the college and praised it for 'developing marine medicine to benefit mankind'."

WAN LI, YANG DEZHI WATCH CHILDREN'S PERFORMANCE

SK240420 Jinan Shandong Provincial Service in Mandarin 2200 GMT 23 Aug 86

[Text] On the evening of 23 August, the Jinan children song and dance troupe staged a report-back performance for central leading comrades in Beijing. More than 300 people attended the performance, including Comrades Wan Li, Yang Dezhi, Duan Junyi and Kang Keqing; responsible persons of relevant central departments; some veteran comrades; and well-known figures from cultural and art circles. In high spirit, the 78 little performers put on 11 splendid programs. The central leading comrades and the entire audience highly praised the performance of the children. Comrade Wan Li said happily: These children are lovely, and their performance is splendid. Talented people should begin training as youths.

He said: Shandong has developed its sports and cultural activities over the past 2 years. Shandong is a place where many scholars have been born. Now they will have successors. Comrades Wan Li, Yang Dezhi, Duan Junyi and Kang Keqing went up onto the stage to shake hands with the little performers and had a group picture taken with them.

QIAO SHI, OTHERS INSPECT NORTHEAST FLOODING

OW231322 Beijing XINHUA in English 1138 GMT 23 Aug 86

[Text] Changchun, August 23 (XINHUA) -- Officials from central authorities have inspected flooded areas in northeast China over the past four days. Qiao Shi, member of the Political Bureau of the party Central Committee and vice-premier, saw dykes of the Songhua River in Heilongjiang Province on Thursday and expressed regards to the flood-fighting soldiers and civilians there. Yang Zhenhuai, secretary-general of the Central Flood Control Headquarters and vice-minister of water resources and electric power, inspected Jilin where calamities were most serious.

He encouraged people along the East Liaohe River to fill in breaches of the dykes in a shortest period and launch a drive of salvation through production. Heavy rains and storm hit northeast China this month, causing swelling of water in the Songhua and Liaohe rivers. One million hectares of cropland were flooded in Jilin alone.

Industrial workers in Jilin Province have decided to launch a 100-day campaign to increase production and lower consumption. Each worker is expected to yield 100 yuan of more profits to aid the flooded area. Yang also learned that office workers at provincial party committee and government departments have donated 210,000 pieces of clothing to these areas.

CHEN PIXIAN, OTHERS VISIT FUJIAN EXHIBITION

OW240504 Beijing Domestic Service in Mandarin 0300 GMT 22 Aug 86

[Text] Chen Pixian, Peng Chong, and other state leaders joined thousands of Beijing citizens to view a sale exhibition of products manufactured by Fujian's village and town enterprises at the China International Exhibition Center on the evening of 21 August.

Comrades Chen Pixian and Peng Chong shook hands with the sales clerks at the counters as they viewed the exhibits. Comrade Peng Chong even wielded a brush to write inscriptions for the Zhangzhou, Quanzhou, and Fuzhou exhibition groups. The inscription for Zhangzhou was "swift flight."

A Zhangzhou comrade noted: Product quality is most important. There should be a great variety of products and a better way of packing goods. Poor packing dissuades people from buying.

XI ZHONGXUN, ZHAO PUCHU MEET CHRISTIAN DEPUTIES

OW241028 Beijing XINHUA Domestic Service in Chinese 1309 GMT 22 Aug 86

[Text] Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, and Zhao Puchu, vice chairman of the CPPCC National Committee, met with the deputies to the Fourth National Christian Conference of China and had a group photo taken with them in the Great Hall of the People this afternoon.

In his speech to the deputies, Xi Zhongxun praised the Three-Self Patriotic Movement of Chinese Christianity and the principle of self-administering, self-supporting, and self-propagating initiated just after the founding of New China by Wu Yaozong and other patriotic personages of insight as "an amazing beginning." He said: Over the past 30 years and more, the Three-Self Patriotic Movement of Chinese Christianity has achieved tremendous results. Christianity has become a religious institution run by Chinese Christians themselves. History has proved that it is entirely correct for the Chinese Christianity to adopt the three-self principle, maintain independence, keep the initiative in its own hands, and run the church by itself. Chinese Christian personages and believers can independently promote the Chinese Christian church.

Xi Zhongxun called on friends in China's Christendom to continuously keep to the three-self patriotic and just stand, consolidate and expand the unity of Christians based on the three-self principle, and make efforts to run well the self-administering, self-supporting, and self-propagating Chinese Christian Church.

Xi Zhongxun said: The absolute majority of China's Christians are workers, peasants, and intellectuals on all fronts. They have worked hard with people of all nationalities and made contributions to national construction.

During the new historical period, China's Christians may also make contributions to promoting socialist material and spiritual civilization. It is wrong to think of promoting spiritual civilization as conflicting with citizens' believing in religion. He called on the Three-Self Christian Council of China to launch healthy activities in various forms and unite, educate, and encourage the vast number of Christians to participate in promoting socialist modernization with people of all nationalities in the country and strive together for the motherland's peaceful reunification, oppose hegemonism, and safeguard world peace.

Christian Conference Ends 23 Aug

OW241402 Beijing XINHUA Domestic Service in Chinese 1111 GMT 23 Aug 86

[Text] Beijing, 23 Aug (XINHUA) -- The 8-day Fourth National Christian Conference of China closed in Beijing today. It urged all Christians in China to continue to uphold the principle of "self-administration, self-support, and self-propagation" and to work hard under the banner of "patriotism, love of religion, unity, and peace" to build the Christian Church of China into one that suits the great socialist epoch in our country.

China's Christian churches have undergone rapid restoration development since the Third National Christian Conference in 1980. In the past few years, the masses of Christians have actively participated in socialist modernization, and many advanced patriotic and religious Christians have come to the fore. The number of Christians who have been named model workers, advanced workers, and "8 March" Red-banner pacesetters has surpassed that of any other period since the launching of the three-self movement.

With the rise in China's international status, in the past few years China's Christian churches have broadened international contacts on the basis of equality and friendship, resulting in the visits to China by Christian delegations from many countries and regions and by well-known international Christian personages. The Three-Self Patriotic Movement Committee of the Protestant Churches of China and the Christian Council of China have also sent delegations to attend some international meetings and to visit many countries and regions. These activities have forcefully safeguarded the three-self principle of self-administration, self-support, and self-propagation.

The conference adopted a message to Chinese Christians, elected Ding Guangxun chairman of the Fourth Three-Self Patriotic Movement Committee of the Protestant Churches of China and president of the Second Christian Council of China, and revised the constitutions of the two organizations.

Attending the conference were 266 Christian representatives from 28 provinces, cities, and autonomous regions throughout the country.

CORRECTION TO DEVELOPMENT OF SOCIALIST DEMOCRACY

The following correction pertains to the item headlined "Socialist Democracy Develops Along With Reforms," published in the 11 August China DAILY REPORT, page K 7, last paragraph, last line:

In the process of developing socialist democracy, such tendancies should not be ignored. (adding dropped word "not")

ANHUI'S WANG YUZHAO DISCUSSES JOURNALISM REFORM

OW241136 Hefei Anhui Provincial Service in Mandarin 1000 GMT 22 Aug 86

[Text] Addressing the second plenum of the councils of the provincial Journalists' Association and the provincial Journalism Society on 21 August, Wang Yuzhao, deputy secretary of the provincial party committee and governor, pointed out the need to proceed from reform for the success of journalistic work and to promote reforms in all quarters.

On how to carry out journalistic reform, Wang Yuzhao said: First of all, it is necessary to propagate the party's principles and policies in an accurate and timely manner so that the broad masses of people will have a quick and correct grasp of them. This is a key focus of attention in journalistic reform. On the heavy coverage of meetings and the activities of leading cadres by the press, radio, and television, Wang Yuzhao stated: In keeping with the efforts to carry out reform and open to the outside world, the press should increase the amount of information and expand the scope of coverage; in particular, it should fully reflect the lively, active, and creative activities of the broad masses of people in the course of the four modernizations as well as all forms of advanced deeds. For this purpose, it is necessary to cut down on general reporting, especially, reporting on meetings and coverage of the general activities of leading cadres, so as to imbue our news with vitality.

Wang Yuzhao noted: As the masses are the masters of their country, news reporting should fully mirror their voices and demands. Our press, radio, and television should become the venue for exploring the people's innermost feelings, matters under public discussion, and views exchanged among people. In conclusion, Wang Yuzhao stressed the need to step up the building of journalistic units. He said: Success in journalistic reform primarily hinges on the journalists' own efforts. It is necessary to arouse the initiative, enthusiasm, and creativity of journalistic units. On the other hand, workers in the journalistic units should further liberate their minds, step up studies, and improve their qualifications. On the other hand, party committees at all levels should strengthen and improve the party's leadership over journalistic work. It is necessary to respect journalistic laws and the autonomy of journalistic units within the context of Marxist guidelines and the party's four basic principles. Efforts should be made to create a fine environment for journalistic reform by allowing news agencies to decide for their own in the future on what to publish in their newspapers and by giving them a free hand to conduct journalistic reform without hestitation.

FUJIAN FORMALLY JOINS SHANGHAI ECONOMIC ZONE

OW240406 Shanghai City Service in Mandarin 0000 GMT 24 Aug 86

[Text] With the State Council's approval, Fujian, on China's southeastern seaboard, is formally joining the Shanghai Economic Zone, thereby expanding the scope of the Shanghai Economic Zone...to five provinces and one municipality. The expanded Shanghai Economic Zone includes one special economic zone, six coastal open cities, and two economic open districts. This zone is China's largest trans-provincial and trans-city belt opening to the outside world. It is absolutely certain that this belt will be built into China's largest export base to earn foreign exchange.

After rational planning Fujian's joining the Shanghai Economic Zone will result in the more rational development and exploitation of Fujian's obvious latent superior position. In addition, Fujian can promote the development and prosperity of the entire Shanghai Economic Zone. Fujian's harbors can become branch harbors of Shanghai harbor. The (Shuitou) hydropower station, east China's largest hydropower station, to be built soon, can transmit part of its electric power to the east China power network when it is completed. The Xiamen Special Zone can enable the economic zone and all fraternal provinces and cities to enjoy the conditions and policy of certain free ports.

FUJIAN THIEVES, OTHERS SURRENDER DURING CAMPAIGN

OW231056 Beijing XINHUA in English 0640 GMT 23 Aug 86

[Text] Beijing, August 23 (XINHUA) -- Nearly 10,000 thieves and other lawbreakers have surrendered to local police in Fujian Province since June seeking leniency for their crimes, the Overseas Edition of the "PEOPLE'S DAILY" reported today. The surrenders came in response to an anti-theft campaign begun in June in Fujian and a national effort to encourage criminals to surrender in return for lenient punishment. In addition, said the Communist Party paper, since June Fujian police have solved 4,200 criminal cases with the help of nearly 18,000 clues offered by provincial residents. This has led to the recovery of more than 3.6 million yuan (970,000 U.S. dollars) in stolen currency and goods, according to the report.

Throughout this summer, the national Ministries of Justice and Public Security have been urging lawbreakers to give themselves up promptly and receive reduced sentences. Combined with a stepped up effort by citizens to catch criminals in the act and turn them over to police, the leniency program has reduced crime in several of China's major cities in July and August. At the same time, criminals in custody have been responding to incentives to confess to other crimes and to help police catch lawbreakers still at large. In Fujian, where officials say theft has been increasing since 1983 and 65 percent of the crimes are committed by juveniles, local authorities have been trying to spread information about the law among the young.

SHANDONG OPENS 2 MORE PORTS TO FOREIGN TRADE

HK220352 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0219 GMT 19 Aug 86

[Report by Yuan Chonghe: "Shandong Opens Two More Ports"]

[Text] Jinan, 19 Aug (ZHONGGUO XINWEN SHE) -- Recently, Shandong opened Lanshan Port and the Shijiu Port to foreign countries. Shandong had previously opened Qingdao, Yantai, Longkou, and Weihai Ports.

Lanshan Port and Shijiu Port are located between Qingdao Port and Lianyun Port. Their geographical positions are favorable. They have vast areas of hinterland and ample sources of commodities for export. Lanshan Port has a 10,000-ton deep water berth with an annual handling capacity of more than 1 million tons. Foreign ships can anchor directly at the wharf. Shijiu Port is next to Shijiu Dagang and has favorable conditions for anchoring and unloading goods to lighters. Since these two ports were opened, they have helped reduce pressure on Qingdao and Lianyun.

GUANGDONG MEETING ON TOWNSHIP ENTERPRISES ENDS

HK230433 Guangzhou Guangdong Provincial Service in Mandarin 0300 GMT 23 Aug 86

[Text] The provincial conference on township enterprises concluded in Guangzhou today. Giving a summation report, Vice Governor Ling Botang said that the province's township enterprises should develop in the direction of higher grades, more tiers, and better adaptation to reality. Total income of these enterprises during the Seventh 5-Year Plan should amount to 50 billion yuan, a rise of 30 billion yuan over the Sixth 5-Year Plan, showing an annual average increase of 60 million yuan.

Ling Botang pointed out that achieving this goal of endeavor is the requirement of the rural reforms and an effective measure in building new Chinese-style socialist rural areas. During the coming period, we should simultaneously develop primary, secondary, and tertiary industries in the township enterprises with the focus on the secondary and tertiary; simultaneously develop large, medium, and small enterprises, with the focus on medium and small; and simultaneously develop enterprises run by the collectives, by combinations of households, and by individuals, with the focus on the combinations and the individuals. The guiding idea of this principle is to divert surplus rural manpower to secondary and tertiary industry and speed up the integration of the urban and rural areas.

Ling Botang stressed in conclusion that conditions greatly vary between different areas in Guangdong. In developing township enterprises, it is essential to act in light of local conditions and provide appropriate guidance. Areas where the foundation is good can refer to the experiences of southern Jiangsu and of Shunde, Nanhai, and Dongguan Counties in the Zhu Jiang Delta. Areas where the foundation is rather poor should learn from the experiences of places such as Wenzhou, Wuchuan, Yunfu, and Puning, and vigorously develop enterprises run by households and combinations of households.

GUANGZHOU WITHSTANDS WESTERN INFLUENCE 'WAVES'

OW240558 Beijing XINHUA in English 0530 GMT 24 Aug 86

[Text] Guangzhou, August 24 (XINHUA) -- The open policy has opened the horizon of the people, enabling them to see where they have lagged and fostered some new ideas that they could not acquire behind the closed door, said an official of the Guangzhou City's party committee.

He recalled in a recent interview with XINHUA reporters Wang Zhigang and Xie Jinhu the three waves of social problems the city experienced in the course of opening to the outside world over the past eight years. Guangzhou has not only withstood the pounding of the waves, but also benefitted from it, he said.

The first wave was the capitalist affluence, which began in 1978 and reached its peak in 1980, when the city with a population of 3.2 million was vexed with the problem of unemployment of 700,000 young people. With the door opened, relatives of some people who had been residing abroad for years flocked back to the city, bringing with them foreign goods rarely seen in the country. Seeing this, some people, especially young ones, began to waver and there was a wave of illegally crossing over to Hong Kong.

In face of this situation, the Guangzhou city government persisted in reforms, introducing the household-based production responsibility system in the rural areas, encouraging development of self-employed and collective businesses for more job opportunities and expanding the city's external economic activities. Within three years, the city was able to provide jobs for them, thus halting the wave of illegal crossing. Now some of the people who had crossed over to Hong Kong have returned. Relating to their experience, they commented that Guangzhou might not compare with Hong Kong in modern comforts and what the people wear, but it can compare with Hong Kong in what workers live and eat and it is definitely better in people-to-people relationship.

The second wave came as a result of local people's easier access to Western culture through television sets and cassette recorders which had become available to almost every family around 1983. Serious and traditional music was replaced by pops, which were used by nearly 100 new hotels and restaurants to attract customers. Pornographic video-tapes also spread. This prompted the city government to change the cultural management system. A cultural management committee was set up to provide guidance to the people's cultural life, running music tea houses, pleasure centers and other recreational facilities in addition to increasing the number of TV programs and film shows. Gradually, low taste things fell into disfavor. The city official said that young people took to such low taste things just out of curiosity but they became fed up with them soon and began to like inspiring healthy music and operas. But the low taste songs still have some market among the less educated people, he said.

Now 400,000 of the 570,000 young workers are studying in evening schools, for they have seen something useful to learn from western culture and science and technology, the official said.

The third wave was unscrupulous profit seeking, which lured many people into the trap of profiteering, and smuggling. The city government came down sharply on criminal activities while strengthening market control and ideological education among business people. This halted the crime wave and socialist ethics prevailed.

We do not oppose earning money, said the city official. On the contrary, we encourage people to get prosperous through their own industrious labor, instead of at the expense of the interests of others and the state. The official said that the open policy has brought in some negative influence over the society, but when this is overcome, it will inject renewed vigor into the society.

WORKERS BUY SHARES IN GUANGZHOU ENTERPRISES

OW230914 Beijing XINHUA in English 0758 GMT 23 Aug 86

[Text] Beijing, August 23 (XINHUA) -- Workers in three of Guangzhou's larger state-owned factories have bought 30 percent of their enterprises over the last six months, the ECONOMIC DAILY reported today. Altogether, the workers have invested 6.63 million yuan (1.79 million U.S. dollars) in the Guangzhou silk and flax textile mill, the Qiaoguang pharmaceutical factory and the Mingxing pharmaceutical factory.

Depending on the plant, between 70 and 90 percent of the workers participated, buying an average of more than 1,200 yuan (324 dollars) in stock. The central government retains ownership of 70 percent of each enterprise. With government representatives dominant, the shareholders have elected new boards of directors and have formed organizations to represent their interests with the enterprises' managers. The paper said making individual workers minority partners in state enterprises was an "experiment aimed at increasing workers' initiative and raising needed funds for the enterprises involved."

Once they became part-owners of their factories, according to the paper, "many of the workers became more concerned about issues of production and management and made suggestions that have led to reducing waste, cutting costs and improving product quality." It said the funds raised by the stock sale would be used for plant modernization and development of new products.

HUBEI HOLDS CONFERENCE ON FIGHTING DROUGHT

HK221050 Wuhan Hubei Provincial Service in Mandarin 1000 GMT 20 Aug 86

[Excerpts] In the afternoon of the day before yesterday, the provincial government held an urgent conference on fighting drought, putting forward four demands on the current work of fighting drought throughout the province:

1. Leaders at all levels must attach great importance to the current work of fighting drought. Since August, the larger part of our province has been sunny and hot and has had little rain and continuous high temperatures. Its drought situation has continued to develop. Some 11 million mu of autumn-harvested crops, including middle-season rice, late rice, cotton, and corn, in prefectures and cities such as Jingzhou, Xiangfan, Yunyang, Jingmen, Xianning, Yichang, and Huanggang has been seriously affected by drought. The drought situation still develops. It is now a crucial season when a large amount of water is needed for autumn-harvested crops to grow. It is now also the final state to wrest a bumper harvest for the whole year. Therefore, we must really strengthen leadership over the work of fighting drought and do our best to persist in fighting drought to the end and to strive for final victory.

2. In fighting drought, we must give prominence to the key points and really guarantee a bumper harvest of grain and cotton. [passage omitted]

3. All places and departments concerned must formulate effective measures. At present, many places still have water but they are mainly running short of electricity, diesel oil, and funds. Prefectures and counties where the drought situation is serious must first use their electricity to fight drought and not less than 30 percent of the total amount of their electricity should be used to fight drought. [passage omitted]

The provincial government has decided to give 50,000 kilowatts of electric power used by the urban industry to the prefectures seriously affected by drought, to fight drought until the end of August. All places must first use their diesel oil to fight drought. Relevant provincial departments must strengthen control and quickly allocate the antidrought materials. The provincial authorities will also arrange a certain amount of antidrought funds and materials to support the key prefectures in fighting drought.

4. All trades and professions must vigorously support agriculture and fight drought. [passage omitted]

HU JINTAO ATTENDS GUIZHOU SPORTS MEETING

HK230926 Guiyang Guizhou Provincial Service in Mandarin 2200 GMT 21 Aug 86

[Excerpts] The sixth provincial sports meet, which lasted 12 days, held its closing ceremony at the Zunyi Gymnasium on the evening of 21 August. Provincial CPC Committee Secretary Hu Jintao and Vice Governor Zhang Yuqin attended the closing ceremony. (Tuo Wenzhong) presided over the closing ceremony. Leading comrades including Hu Jintao and Zhang Yuqin presented prizes to the delegations which had won the first three places in the team competitions to individual winners of the first three places, and to winners of the spiritual civilization prizes. (Li Yuandong), vice chairman of the sixth provincial sports meeting's Organization Committee and chairman of the provincial Physical Culture and Sports Commission, delivered the closing speech. [passage omitted]

The afternoon of 21 August at the Zunyi Guesthouse, provincial CPC Committee Secretary Hu Jintao met the heads and representatives of the players and coaches of all delegations attending the sixth provincial sports meeting. Hu Jintao made a special trip to Zunyi from the capital of the province to attend the closing ceremony. After listening to the reports made by the responsible persons of all delegations, Hu Jintao spoke. He first affirmed the achievements scored at the sixth sports meeting, congratulated the players on their achievements at this sports meeting, and extended cordial greetings to all coaches and working personnel who had worked hard. [passage omitted] He hoped that all sports workers and players throughout the province would have great ambition, win great honor, carry forward their indomitable spirit, and work hard to score good achievements at the national sports meet next year.

SICHUAN SCHOLARS, EXPERTS DISCUSS ECONOMIC ISSUES

HK220143 Chengdu Sichuan Provincial Service in Mandarin 2200 GMT 21 Aug 86

[Text] According to SICHUAN RIBAO, the provincial party committee and goverment has organized a major debate on invigorating Sichuan's economy. This has been done in order to pool people's wisdom, further probe and study the guiding ideas and basic path for the province's economic work during the Seventh 5-Year Plan, speed up the development of the province's commodity economy, and turn policymaking into a democratic and scientific affair. This major debate, which began in mid-July, has lasted more than 1 month. I has been held at three levels. At the first level, the provincial economic departments and the cities and prefectures organized forces to hold a debate. At the second level, the provincial Planning and Economic Commission, the provincial Research Office, the provincial government's economics research center, and the provincial Social Science Institute jointly convened a discussion meeting.

At the third level, a discussion was held in Chengdu, attended by 108 persons. Provincial CPC Committee Secretary Yang Rudai and Deputy Secretary and Governor Jiang Minkuan presided. The praticipants incluede veteran experts and middle-aged and young scholars in science and technology, economics, and theory; responsible comrades in charge of economic work in some cities and prefectures; cadres and veteran comrades who have long been engaged in economic work; and responsible persons of the provincial party committee, Discipline Inspection Commission, People's Congress Standing Committee, government, and CPPCC, and of departments concerned in the provincial party committee and government.

The scope of the discussion, the number of participants, and the depth of the contents in this discussion has rarely been seen in Sichuan before.

During this major debate, many comrades held that in order to speed up the development of Sichuan's commodity economy, it is essential to further emancipate the mind, brace spirits, overcome the small production concept, continue to clear away leftist influences, and unswervingly persevere in reform. Political structural reform must be carried out synchronously and in harmony with economic structural reform.

YUNNAN MAKES ARRANGEMENTS FOR ARMY CADRES

HK230914 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 21 Aug 86

[Excerpts] Yunnan Province has completely carried out the work of making arrangements for Army cadres transferred to civilian work in 1986. This is the second year that the Army has carried out structural reform, streamlining, and reorganization and made arrangements for redundant cadres. It is also a crucial year. The work of making arrangements for Army cadres transferred to civilian work this year is arduous, time consuming, and demands high and policies must be strictly adhered to.

The Yunnan Provincial CPC Committee and provincial people's government have attached great importance to this work. They recently specially listened to the report made by the provincial work group for making arrangements for cadres transferred to civilian work. They have studied the work of making arrangements this year.

In light of the large number of cadres transferred to civilian work this year and the greater difficulties in making arrangements than in previous years, the provincial leadership group for the work of making arrangements for Army cadres transferred to civilian work has demanded that in accordance with the state's needs in construction and with the actual situation of the Army cadres themselves, all places should allocate well cadres transferred to civilian work so that they are each in their proper places and can each make the best use of their ability. They must also make proper arrangements for the family members of Army cadres transferred to civilian work and for the schooling for their children. They must try in every possible way to solve the housing problems of cadres transferred to civilian work. [passage omitted]

All PLA units must teach the cadres transferred to civilian work to make allowances for the difficulties of the localities and to obey allocations. They must mobilize and encourage cadres transferred to civilian work to go where conditions are hardest and to the posts most needed by the four modernizations. [passage omitted]

Kunming and prefectures and autonomous prefectures including Qujing, Wenshan, Baoshan, Honghe, and Dali have begun vigorously receiving cadres transferred to civilian work.

NORTHEAST CHINA PROMOTES LATERAL ECONOMICS TIES

OW230121 Beijing XINHUA Domestic Service in Chinese 1419 GMT 21 Aug 86

[By reporters Wu Jinamin and Xie Jinhu]

[Text] Harbin, 21 August (XINHUA) -- The on-going third meeting on economic and technical cooperation in Northeast China has pointed out: Currently, Northeast China is rapidly promotion lateral economic ties. Some 12,000 agreements (contracts) for economic cooperation and integration have been signed over the past year. Investments totaling 1.3 billion yuan have flowed into the region. Northeast China and other localities have exchanged nearly 10,000 competent people to fill various posts. Northeast China has increased its total output by more than 2 billion yuan and has turned over an additional 400 million yuan in tax and profits to the state treasury. The total amount of materials affected by economic cooperation is worth 2.3 billion yuan.

Northeast China includes Heilongjiang, Jilin, Liaoning and Nei Mongol Autonomous Region's Hulun Buir, Hinggan, and Jirem Leagues and Chifeng City. It is an important base area for China in the production of iron and steel, energy resources, machinery, lumber, and grain crops. Economic integration and cooperation in this region have developed from simple exchange of materials and processing of semifinished products to joint efforts to develop and produce products; from exchange of individual technical know-how to transfer of entire scientific and technical processes and development of entire technical systems; and from exchange of technology and materials on a temporary basis to long-term cooperation. Currently, there are over 1,200 industrial groups in Northeast China that are turning out fuel, raw materials, semifinished products, and high-quality, famous-brand products.

LIAONING MEETING ON POLITICAL SYSTEM REFORM

SK230432 Shenyang Liaoning Provincial Service in Mandarin 0930 GMT 22 Aug 86

[Text] A meeting to discuss the theory of political system reform, jointly sponsored by the provincial Historical Materialism Study Society, the provincial Philosphical Society, and the Philosophy Institute of the Liaoning Social Science Institute, was held in [words indistinct] from 16 to 19 August.

Nearly 120 people attended the meeting. They were working personnel from enterprises in Sichuan, Hubei, Hebei, Nei Monggol, Shanxi, Shanghai, [words indistinct]; personnel from relevant central departments; and personnel from some press units, such as the RENMIN RIBAO Office, the GUANGMING RIBAO Office, the JINGJI RIBAO Office, and the SHIJIE JINGJI DAOBAO Office.

Persistently in line with the double hundred policy and the principle that we benefit from those with awards who express their ideas, participants emancipated their minds, spoke out freely, and enthusiastically discussed from various angles the issues on how to persist in and improve the party's leadership, to eliminate the malpractice of an overconcentration of power, to strengthen construction of democracy and the legal system, and to achieve reform of the system of cadre personnel affairs. Participants also exchanged information on how some areas throughtout the country had carried out theoretical discussions on political system reform in the preceding period.

Li Zemin, deputy secretary of the provincial party committee and secretary of the Shenyang City party committee, made a speech at the meeting.

He stated: The reform of the political system is being carried out under the leadership of the party with a view to improving our country's political system. Reform is not only an objective requirement for economic development but also a requirement for the realization of socialist modernization and the country's long-term order and stability. Tasks of urgent importance now ahead of the theoretical workers and leading cadres at all levels are to make good ideological and theoretical preparations through study, to renew their ideas and thinking, [words indistinct], to thoroughly conduct investigations and study in line with the situation of the state, provinces, cities and counties, [words indistinct].

Zhu Houze, director of the Central Propaganda Department, sent congratulatory telephone message to the meeting. He urged the comrades on [words indistinct] front to further enliven their ideas, to further envigorate their style of study, and to make new contributions to the reform of political system.

Also attending the meeting were (Li Fu), deputy director of the Theoretical Bureau of the Central Propaganda Department; Shen Xianhui, Standing Committee member of the provincial party committee and director of the provincial Propaganda Department; Zhang Zhiyuan, vice chairman of the provincial People's Congress Standing Committee; and Liu Yiyun, Standing Committee member of the provincial Advisory Commission

LIAONING SECRETARY INSPECTS FLOOD SITUATION

SK250031 Shenyang LIAONING RIBAO in Chinese 12 Aug 86 p 1

[Excerpts] Through half a month of the valiant struggle by 200,000 servicemen and civilians in Tieling City, the Liao He's fourth flood crest safely passed through the Northern part of Liaoning Province and no breaches have taken place in the embankments along the Dongliao He and the mainstreams of the Liao He, which total 270 km.

From 26 July, the embankments along the Dongliao He and the mainstreams of the Liao He had been overloaded. The flow rate of the Dongliao He flood crest reached 1,010 cubic meters per second, exceeding the flow rate of the highest flood crest last year by over 300 cubic meters per second. The flow rate of the mainstreams of the Liao He had been 660 cubic meters per second last year, but was 1,730 cubic meters per second this year. Before the arrival of the flood crest, principal party and government leaders of Tieling City guided more than 1,400 cadres of the counties, townships (towns), and villages along the river to initiatively march to the embankments; and rapidly organizae 200,000 servicemen and civilians into a large contingent of antiflood and rescue workers.

At the crucial moment to deal with the antiflood and rescue work, Quan Shuren, secretary of the provincial party committee; Li Changchun, acting governor of the province; and Li Jingsong, commander of the Shenyang Military Region; came to the forefront of the antiflood struggle. The people of the city were greatly inspired with enthusiasm. The people in Shenyang, Fuxin, and Fushun directly sent 600,000 straw bags to the embankments to support the antiflood and rescue work. On 8 August when the water level of the Liao He began to fall, the people had scored a first-round victory in the antiflood struggle. [passage omitted]

XINJIANG HOLDS DISCIPLINE INSPECTION WORK FORUM

HK220855 Urumqi Xinjiang Regional Service in Mandrin 1200 GMT 19 Aug 86

[Excerpts] From 12 to 17 August, the regional Discipline Inspection Commission held a forum at (Wujiaqu) on discipline inspection work. The forum demanded that CPC committees and discipline inspection commissions at all levels continue to develop the excellent situation in which the whole party grasps the straightening out of party style, step up straightening out party style, correct unhealthy trends, and strive for a marked turn for better in party style within this year, as put forward by the seventh plenary session of the third regional CPC Committee. [passage omitted] The forum made arrangements for the tasks in the second half-year.

The forum held: In the first half of this year, CPC committees and discipline inspection commissions at all levels grasped the straightening out of party style, corrected unhealthy trends, investigated and dealt with big and serious cases, corrected education in party spirit, and enforced discipline. [passage omitted] However, there are some discrepancies between the work they did and requirements set by the central authorities and the regional CPC committee, and their work did not develop evenly. In the second half-year, in accordance with the arrangements made by the seventh plenary session of the third regional CPC Committee for straightening out party style, they must further strengthen leadership over the work of straightening out party style and seriously carry out the plan for realizing a fundamental turn for better in party style and the system of responsibility for straightening out party style. Discipline inspection commissions at all levels must correctly understand the relationship between straigthening out party style and carrying out reform, support and protect reform, and act as promoters of reform. They must correctly distinguish between unhealthy trends and violations of the law and discipline and slips in the course of reform and teach party members and cadres to have the spirit of being determined to carry out reform and to have strict concepts of discipline and the legal system to guarantee the smooth progress of reform.

The forum demanded" That CPC committees and discipline inspection commissions at all levels must continue to do well in investigating and dealing with big and serious cases. They must speed up the trying of cases. They must criticize the units which do not vigorously investigate and deal with big and serious cases and instruct them to correct their mistakes in a specified period. In the light of the realities of their own units, CPC committees at all levels must take the lead in strengthening leadership over the work of correcting unhealthy trends and seriously handle important problems.

The forum also demanded: That CPC committees at all levels must further do well in conducting education in party discipline for party members and in enforcing discipline. [passage omitted]

Shi Geng, regional CPC Committee Standing Committee member and regional Discipline Inspection Commission secretary, attended and spoke at the forum.

RETURNING DELEGATION DISAPPOINTED ON DAYA BAY

HK220619 Hong Kong HONGKONG STANDARD in English 22 Aug 86 p 1

[By Andy Ho]

[Text] A furious anti-nuclear delegation returned from Beijing late last night and pledged to "fight on" for the shelving of the Daya Bay nuclear project.

The head of the 12-man team, the Rev Fung Chi-wood, said his group is not convinced by the Chinese experts and still have the same anxieties over the nuclear installation as before.

He told THE STANDARD that their mission has been distorted by the mainland press, which has "tailored the groups' speeches to suit their own needs."

A CHINA NEWS SERVICE report last Wednesday quoted the Rev Fung as saying that they were satisfied with the result of their mission.

He said he did not recall having made any remarks to that effect and had only described their trip as a "partial success."

Said the Rev Fung: "We are glad that we handed over the one-million signature petition to a State Council official, but we are very disappointed that the arrangement was made only after much bargaining."

The Chinese leaders conceded to have the vice-director of the Hong Kong and Macao Affairs Office, Mr Li Hou, to receive the petition only after the group threatened to bring the signatures directly to the office of the State Council, he added.

The signatures were presented at the Beijing Science Hall.

Another member of the group, Mr Anthony Ha, said the officials advised them that a direct petition to the State Council would breach the "Beijing norms."

The group accepted the new arrangement because they throught that "dialogue is better than confrontation."

But it turned out that there were little chance for "genuine dialogues," said the Rev Fung.

He said most of their activities arranged by China were either guided tours or presentations of prepared speeches.

In the five-day stay, they were only allowed less than an hour to raise questions relating to Daya Bay, during which they managed to ask about eight questions.

The Anglican priest is also critical of another report [by] CHINA NEWS SERVICE, headlined "Hong Kong Citizens' Nuclear Phobia Is Fading" which quoted him as saying the trip was an "eye-opener" and that he "appreciated" China's achievements in nuclear technology.

He said he only told the host after the visit he "has a better understanding of the nuclear research in China."

The activists were given a warm welcome by leaders of the 115-group anti-nuclear united front on their return.

ZHONGGUO XINWEN SHE VIEWS LEGCO MEMBERS SURVEY

HK230848 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1317 GMT 21 Aug 86

["Short commentary" by ZHONGGUO XINWEN SHE reporter Guo Weifeng: "The Findings of Surveys Conducted by Hong Kong Legislative Council Members on Nuclear Power Should Be Taken Seriously"]

[Text] Hong Kong, 21 Aug (ZHONGGUO XINWEN SHE) -- Following a nuclear power fact-finding trip in Europe, America and Japan, the nuclear power survey groups formed by the Hong Kong Legislative Council members have begun to draft a report. It is said that this report will be completed in the immediate future, so as to be submitted to the Legislative Council and publicized to the citizens. Although the contents of this report are still unknown, judged by the information gathered by the survey groups, the report will cover all the findings of the survey. Therefore, people of all circles in Hong Kong and the departments concerned in China should take it seriously.

The value of the survey is primarily determined by the objectives of the survey. While people of all circles were allowed to air their views, if the survey had been conducted solely by people who support or oppose the construction of the nuclear plant, inevitably the findings would be biased. It is gratifying that the objective of the Legislative Council members was not biased. Just as Legislative Councillor Allen Lee said: "The objective is to find facts." Maria Tam, who headed the survey team to Europe, also talked about the three tasks of their mission: Assessing the rate of danger, examining the emergency plans, and gathering information. It has been learned that the survey groups also brought with them nearly 200 questions raised by the people of all circles in Hong Kong. Judging conducted by the survey groups in Europe, America, and Japan and the speeches only made by the councillors, we can see that the members of the survey groups have honored their promises and their trips were really fact-finding.

The contents of the survey are also very important. As the debate over the construction of the Daya Bay Nuclear Power Plant has lasted for several months and 1 million people have signed a petition demanding the suspension of construction of the plant, there are a lot of people worrying about the safety of nuclear power. Since many people have mistaken the nuclear power plant for an atomic bomb, it is not strange that they feel so panicky. However, with a well-defined objective in mind, the survey groups focused on investigating nuclear power technology and the safety measures. For example, in the French Gravelines Nuclear Power Station, the councillors investigated the present nuclear power situation in France as well as the management, anti-radiation, and emergency measures. In Japan, they made a survey of the evacuation scope of nuclear power plants and the safety factors of the compressed reactors. In the United States, they solicited the opinion of experts on the construction of the Daya Bay Nuclear Power Plant. Thus, we can see that the surveys were aimed at getting to the root of the matter or finding an answer to the nuclear power safety issue worrying so many people.

The appropriateness of the sites of the surveys also determines the value of the report. West Europe is a region which is utilizing much nuclear power and has accumulated more experience than any other place in the world; the United States was the first country in the world to develop nuclear power; and Japan is the most advanced country in the world in research into the danger of radiation. To conduct surveys and gather materials in these countries is surely of great reference value.

Although the trips were short, members of the survey groups all said that they gathered very rich materials and gained greater knowledge about nuclear power. Judged by the dispatches sent by the Hong Kong reporters covering the mission, we have learned that many questions brought along by the councillors have been given satisfactory answers. The contents of the survey not only involved the safety of nuclear power technology but also the issues concerning education in nuclear information and so on. Moreover, they have established communications channels with the nuclear departments and organizations of many countries and international atomic organizations. Entrusted by the people in Hong Kong and their concern about the safety of nuclear power, the survey groups have not only visited the official organizations but also the residents living around the nuclear plants, thus acquiring both objective and subjective knowledge about nuclear power. Therefore, they have really gained much.

Many councillors said that it is necessary to adopt a fact-finding attitude to participate in the drafting work. Allen Lee said that it imperative to complete "a truthful report." Mrs Pauline Ng said that the report will be only a factual report about the construction of the nuclear power plant with no conclusion to support or not to support the construction. Therefore, if the report is objective, it will be worthwhile for the pro and con factions on the Daya Bay Nuclear Power Plant to conduct a calm study for it. As far as the relevant departments in China are concerned, they should also take it seriously and use it for reference. For example, according to the survey groups, the report will especially introduce how countries like France, the United States, Japan and so on popularize nuclear information. The popularization of nuclear information is something that should be urgently carried out in China. The surveys conducted by the Hong Kong Legislative Council certainly show that "advice from others may help one overcome his shortcomings."

BASIC LAW BODY BUSINESSMEN PROPOSE 'BLUEPRINT'

HK220613 Hong Kong SOUTH CHINA MORNING POST in English 22 Aug 86 p 2

[By Lulu Yu]

[Text] Businessmen and professionals comprising nearly a third of the 180-strong Basic Law Consultative Committee have put forward a proposal that looks strikingly similar to Beijing's idea of a post-1997 Hong Kong government.

The system suggested by 57 members would have an indirectly elected chief executive, an appointment cabinet similar to the present Executive Council, and a legislature with 20 directly elected members.

It calls for the retention of "the good aspects of the present system," namely an efficient executive authority, the absence of party politics and an independent judicial system.

Chinese officials have in recent months revealed their preference for a system in which the present relationship between the Legislative and Executive Councils would be retained with some modifications to their composition and power.

They also emphasised the importance of separation of the powers of government by mutual checks and balances.

The businessmen's proposal, in the form of a paper, was revealed yesterday at a press conference timed to precede the meetings of the Basic Law Drafting Committee's [BLDC] economic subgroup, which will begin in Xiamen on Sunday.

This is the first time the business sector, generally seen as conservative, has come up with a comprehensive blueprint for the future Special Administrative Region.

Certain members had earlier aired views deemed to be more resistant to political reforms and direct elections.

Mr Vincent Lo, chairman of the Shui Group, said 57 committee members had gathered to discuss their personal ideas on the future SAR system because they felt that the business and professional sector had not been active in providing input to the BLDC.

"We're not a pressure group or a political party. The proposal reflects our personal views only.

"While it reflects the thinking of a number of the business community, it is designed to be a government system that works for the welfare of all Hong Kong people," said Mr Lo.

Copies of the preliminary proposal were sent to the Government, Unofficial Members of the Executive and Legislative Councils, the Basic Law Drafting Committee and the BLCC.

Mr Lo emphasised that the guiding principle in drafting the proposal was to make it compatible with the provisions of the Sino-British Joint Declaration.

Members were also keen to preserve the three independent branches of government, with separation of powers reinforced by a system of checks and balances, he said.

The paper sets out the following proposals:

The chief executive -- with a role similar to that of the present Governor but not chairing the legislature -- to be chosen by an electoral college for over 600 people, including law-makers, members of district boards, the Urban and Regional Councils and representatives of various functional constituencies.

A group of advisers responsible only to the chief executive to form the Chief Executive's Council. Members would be officials and unofficials appointed by the chief executive or through a process of nomination.

The legislature to be composed of approximately 80 members, with half of the seats held by functional constituencies, a quarter elected by the electoral college and the rest directly elected.

Candidates for direct election to be nominated by members of the legislature, the Urban and Regional Councils and the district boards.

The legislature to continue to make laws, control government spending, monitor policy-making by the executive branch, and hold exofficio seats in statutory committees. The judicial system would continue to be based upon common law.

DIRECT ELECTIONS 'ALMOST CERTAIN' AFTER 1997

HK230538 Hong Kong HONGKONG STANDARD in English 23 Aug 86 p 2

[By To Yiu-ming]

[Text] Xiamen: Hong Kong is almost certain to have direct elections for the legislature after 1997 and the concern of the Basic Law drafters will focus on the share of seats to be returned by this method. The statement came from the co-convenor of the drafting subgroup on political system, Mr Louis Cha.

Whether the proportion of direct and indirect elections in the composition of the future legislature should be written down in the Basic Law is another key topic to be discussed during the current three-day meeting.

Some maintain that it is unwise to fix the exact proportion by the law in order to allow flexibility to cope with changing situations, while others think it is appropriate to give a clear provision in the document to avoid ambiguity.

Mr Cha appeared to take a more liberal stance than that of the proposal by 57 members of the Consultative Committee, who said future candidates for the elections should be nominated by an electoral college before direct elections take place.

He dismissed the proposal as undemocratic and said it was unlikely to have the consensus of political groups and intellectuals.

The agenda of the subgroup meeting also includes the discussion of the system of government and the meaning of "accountability" of the executive authority to the legislature.

According to Mr Cha, the subgroup will choose from three options for the system of government: Executive-centred, legislative-centred or separation of power among the executive, legislature and the judiciary.

Furthermore, four working papers have been prepared for this meeting by four members.

The co-convenor from the Mainland, Mr Xiao Weiyun, has drafted a paper on the formation and power of the chief executive and the executive authority. Mr Cha will present his paper on the power of the legislature, the relationship between the executive and the legislature and government institutions at local level.

The other two papers were prepared by Mr Justice Simon Li and Mr Szeto Wash on the judicial system and the civil services respectively.

Mr Cha personally favours a system of separation of power and a bicameral system of government to be composed of a popularly-elected municipal government and an indirectly elected legislature, with members returned by functional or professional bodies, which is basically the same as the present system.